

The ORIENTAL ECONOMIST

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JANUARY, 1957

No. 555

Positive Policy

Best Postwar New Year

Enter Ishibashi Cabinet

Kankoro's Year-end Strike

Japan-Soviet Ties Resumed

Japanese Trade Unions Today

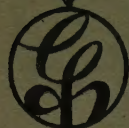
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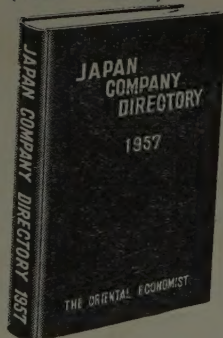
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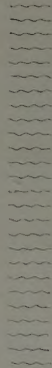
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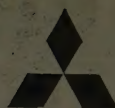
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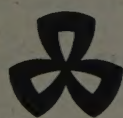
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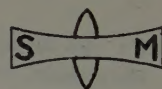
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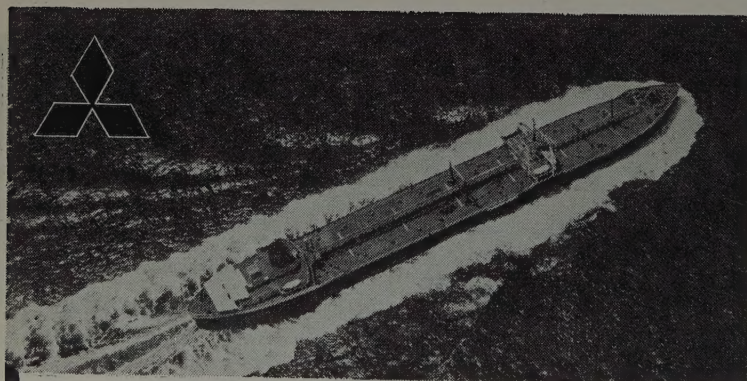


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Review of the Month

TANZAN Ishibashi was elected Japan's new Prime Minister at the 26th ordinary session of the Diet on its opening day, December 20. The election came right after the resignation en bloc of the 2nd Hatoyama Cabinet on the same day. Mr. Ishibashi has

ENTER ISHIBASHI CABINET

already succeeded Mr. Hatoyama as president of the Administrative Liberal-Democratic Party at the party convention held on

December 14. The naming of Mr. Ishibashi, a civilian for a great portion of his life who turned to politics only after the termination of the Pacific War, as the nation's chief executive is certainly an epochal event in Japan's political history, as the premiership has for a long time been the almost exclusive monopoly of soldiers or bureaucrats. Mr. Ishibashi was devoted to journalism for nearly 40 years after his graduation from school. In view of his career and liberalistic ideals, few will doubt that Mr. Ishibashi, as the head of the new Cabinet, will uphold the policy of catering to the wishes of the masses to the exclusion of bureaucratism.

Mr. Ishibashi made a start as President of the Liberal-Democratic Party in a manner befitting his character and ideals, as he was elected to that post by a democratic method, the first of the kind in the history of Japanese political parties. By the procedures adopted by Japanese political parties in the past, the party president was chosen previously by a few selected leaders of the party to be announced at the party convention to be held later for the election for an *ex post facto* approval. The election of the new president, held by the Liberal-Democratic Party on December 14 in accordance with party rules, marks a noteworthy progress over such past practices and sets a welcome precedent for the future growth of Japanese democracy.

Mr. Ishibashi was born on September 25, 1884, as the eldest son of Archbishop Nippu Sugita, the 82nd Superior of the Nichiren Sect, a school of Buddhism. Soon after his birth, he succeeded to the family name of Ishibashi on his mother's side. Graduated from Kofu Middle School (Yamanashi Prefecture) in 1902 and from Literary Department (philosophy) of Waseda University in 1907, he joined the Tokyo Mainichi Shimbun in December, 1908. After spending a year in military service, he joined the Toyo Keizai Shimpō Sha, in January, 1911, and later served as editor-in-chief (1924), and president (1939). In May, 1934, Mr. Ishibashi, as editor-in-chief of Toyo Keizai Shimpō, published the monthly economic magazine in English under the name of The Oriental Economist which this month marks the start of the 23rd year of its birth.

Mr. Ishibashi perhaps had the most difficult period of his life in 1941 through 1943 when the Toyo Keizai Shimpo. Sha was subjected to the strong pressure of the military as he was extremely critical of their policies and actions. The Toyo Keizai Shimpo was so frequently placed under a ban or ordered to have major articles deleted that the journal was forced to choose between the last alternative—to bow to the military pressure and change its very character or to discontinue publication. It was at this juncture that Mr. Ishibashi called all members of his staff to a conference room and expressed his determination to stick to the last. Old staff members still remember Mr. Ishibashi having remarked that it would be meaningless for the journal to try to survive by truckling to the military at the sacrifice of its long-established tradition and principles and that he, with his staff, would adhere to the ideals of the journal to the last even if it might cost its very existence. The Toyo Keizai Shimpo, however, survived. As a reason for the journal's survival, Mr. Ishibashi stated in "Sixty Years in Journalism" published by the Toyo Keizai Shimpo Sha that the journal must have owed its survival to the aid and encouragement extended by some secret sympathizers.

Mr. Ishibashi joined the Liberal Party in 1945 and was appointed Minister of Finance in the 1st Yoshida Cabinet in May, 1946, and served concurrently as Director-General of the Economic Stabilization Board and of the Price Board from January, 1947. Despite the sympathy understoodly shown by some of SCAP leaders for his cause, he was purged as an ultra-nationalist in May, 1947. Few Japanese believed that he was ever a ultra-nationalist. The real reason which compelled SCAP to remove him from public office was understoodly his stern attitude, as Minister of Finance, towards cutting huge spending which the Japanese Government had to make out of the meagre budget for extravagant building plans for occupation personnel such as numerous swimming pools, spacious golf links and large hydroponic farms.

Depurged in June, 1951, he immediately returned to the Liberal Party. The Liberal Party at that time was under the sway of Prime Minister Shigeru Yoshida, and the rivalry between the Yoshida and Hatoyama factions was extremely strong. In March, 1953, he left the Liberal Party with Mr. Ichiro Hatoyama and organized the splinter Liberal Party, in which he served as the chairman of the Political Research Board. In November, 1953, he again returned to the Liberal Party with Mr. Hatoyama, but withdrew from it again to form the Democratic Party with Mr. Nobusuke Kishi and the late Mr. Bukichi Miki. In this new party, he served as a member of the Supreme Council. The Democratic Party late in 1954 merged with the Liberal Party to organize the present Liberal-Democratic Party. In the 1st Hatoyama Cabinet formed in December, 1954, he was ap-

pointed Minister of International Trade & Industry and retained that post in the 2nd Hatoyama Cabinet.

The Ishibashi Cabinet

(Formed Dec. 23, 1956)

Prime Minister	Tanzan Ishibashi
Foreign Minister	Nobusuke Kishi
Justice Minister	Umekichi Nakamura
Finance Minister	Hayato Ikeda
International Trade and Industry Minister.....	Mikio Mizuta
Agriculture-Forestry Minister	Ichitaro Ide
Transportation Minister	Taneo Miyazawa
Labor Minister	Shutaro Matsuura
Welfare Minister	Hiroshi Kanda
Education Minister	Hirokichi Nadao
Postal Services Minister.....	Tanzan Ishibashi
Construction Minister.....	Tokuo Nanjo
Minister Without Portfolio (in charge of the Economic Counsel Board)	Koichi Uda
Minister Without Portfolio (in charge of the Hokkaido Development Board)	Tanzan Ishibashi
Minister Without Portfolio (in charge of the Police Board).....	Tomejiro Okubo
Minister Without Portfolio (in charge of the Local Autonomy Board)	Isaji Tanaka
Minister Without Portfolio (in charge of the Defense Board).....	Tanzan Ishibashi
Chief Cabinet Secretary	Hirohide Ishida

The three important party posts follow: Party Secretary-General—Takeo Miki (Former Transportation Minister), Chairman of the Executive Board—Shigemasa Sunada (Former Defense Board Chief), Chairman of the Political Research Board—Toichiro Tsukada (Former Postal Services Minister).

FULL employment will be the pivot of the economic policy to be pursued by the new Cabinet under Mr. Ishibashi. To attain this end, Mr. Ishibashi will try to expand the scale of national economy so that

POSITIVE POLICY

jobs may be increased sufficiently. In the mind of the new Prime Minister, full employment does not mean the makeshift relief of unemployed but calls for a continuous progress of economic operations in a manner to enable every member of the Japanese nation to be gainfully employed if he or she so desires. Hence, his policy will be based on the measures to push this full employment formula. In this connection, it should be noted that Mr. Ishibashi is by no means an inflationist, although he advocates the adoption of a positive economic policy. As Mr. Kamekichi Takahashi, noted economic commentator, remarked, this misunderstanding (that Mr. Ishibashi is an inflationist) is apparently held by those who hasten to swallow only the conclusion of Mr. Ishibashi's theory. In order to fully understand the aim of his policy, intermediate processes to reach that conclusion should not be bypassed. He gave the glimpse of his economic policy in a press conference held on December 14 immediately after he was elected President of the Liberal-Democratic Party. He said that the conception held in some circles that he is an inflationist is entirely ungrounded. He doubted whether any economists have the clear and definite ideas how to make adjustments between economic expansion and stability. In this connection, he added, proper and suitable measures should be taken according to the transitions concerned based on the movements of prices and international accounts. He said that he was confident he would be able to let the economic scale expand without inviting inflationary repercussions. In conclusion, he said he would do the best he could

for the realization of his ideal—economic expansion and full employment.

JAPAN and the Soviet Union restored diplomatic relations on December 12, 11 years and four months after the Soviet declaration of war on Japan in August, 1945, through the exchange of instruments of

JAPAN-SOVIET TIES RESUMED

ratification of the Japan-Soviet Joint Declaration and their Commerce and Navigation Protocol

between Japanese Foreign Minister Mamoru Shigemitsu and Soviet Deputy Foreign Minister N. T. Federenko at the Japanese Foreign Office in Tokyo. With the exchange of the instruments of ratification, the agreements on fishery and sea rescue, signed in Moscow on May 14 also took effect retroactively. With the normalization of diplomatic relations between the two countries, the Japanese Embassy in the Soviet Union was formally opened at the Hotel Sovietskaya in Moscow and the Soviet Embassy in Japan at the site of the Soviet Fisheries Mission in Mamiana, Tokyo. Although the ties between the two countries have thus been restored, there are still many problems yet to be settled between the two countries. Predominant among such outstanding issues is the territory problem. At the extraordinary Diet session which closed on December 13, the Government clarified some dubious points relative to this issue including: 1) Japan has not abandoned the right to demand the continuation of negotiations on the territorial issue in the Joint Declaration, but has not obtained any assurance on this point from the Soviet side; 2) The words "continued negotiations on the territorial issue" were deleted from the Joint Declaration when the Japanese side demanded the return of Habomai and Shikotan islands to be expressly stated in the document. The Joint Declaration was approved by the House of Representatives on November 27 and the House of Councillors on December 5, but not unconditionally. When the Lower House voted approval of the Joint Declaration, some 61 Liberal-Democratic dissidents including two Independents, stayed away from the balloting. In the Upper House, the approval came after its Foreign Affairs Committee attached the opinion that it understood continued peace negotiations would include the territorial issue (inclusive of the discussion on Etorofu and Kunashiri islands).

It is quite plain that such gestures in both Houses were indicative of the dissatisfaction of the Japanese people towards the handling of the territorial issue. It is true that resumption of normal diplomatic relations between the two countries would be followed by the repatriation of Japanese detainees, Japan's admission to the United Nations and further negotiations on the fisheries issue. The Soviet side also promised that trade relations between the two countries would be developed. It is true that arrangements for the return of Japanese detainees are being made, but the repatriation is a matter which should be realized purely from the humanitarian standpoint without the medium of diplomatic resumption. Japan's admission to the United Nations was officially approved at the General Assembly on December 18 simply because the Soviet Union did

not come to interfere, as had been the case before. In connection with the fisheries agreement, Japan is the losing party through restrictions on fishing, and yet she had to yield to pressure as her fishing boats might be captured otherwise. For all that, resumption of diplomatic ties with the Soviet Union should be highly welcomed, as Japan would not have obtained such benefits without this procedure. The majority of the Japanese people are under the impression that restoration of relations between the two countries was an inevitable development for the settlement of outstanding problems. Whether the Japanese people will come to entertain the real sentiment of friendship towards the Soviets depends on the future endeavors of the leaders of the two countries.

THE approval of the wage revision bill increasing the year-end allowances to governmental and public workers by 0.15 month to 1.65 month by the Diet on December 12 put a virtual end to the

KANKORO'S YEAR-END STRUGGLE

year-end wage struggle by Kankoro (Government and Public Workers

Union). The allowance hike under the revision bill will benefit not only governmental and public workers directly attached to the Central Government but also employees of provincial governments, three public corporations and five similar organizations. With the demand for a two-month year-end allowance and an overall raise of ¥2,000 in monthly wages, members of Kankoro resorted to various acts of dispute including mass meetings during office hours, mass sit-down demonstrations, rejection of overtime work and abrupt holiday-taking. As of consequence, telegraph, telephone and mail services were markedly retarded and freight traffic was remarkably congested much to the trouble of the masses. On the other hand, the labor front was comparatively quiet for civilian workers, as they were not compelled to "struggle" this year as private industries, enjoying the continued business boom, were generous in year-end bonuses. Thus, the year-end labor situation presented a vivid picture of differences between governmental and public workers whose wages are tied to budgetary appropriations and employees of civilian enterprises whose payrolls depend on economic transitions. It should be noted in this connection, however, that the former are not generally affected by business depression, as their bonuses are paid out of ministerial appropriations even when private workers are subjected to wage or bonus cuts due to bad business. Wages of governmental workers are generally stabilized, free from any business transitions. Moreover, their wages are not necessarily lower than private workers even at the time of a business boom. With the exception of a small number of high-bracket wage-earners whose pays are sometimes higher than their counterparts in government or public offices, low-bracket employees (who approximately account for about 75 percent of wage earners) get more pays in governmental or public posts than in civilian employment. The slow-down tactics employed by Kankoro under such circumstances appears somewhat incomprehensible and unjustifiable to the majority of the masses.

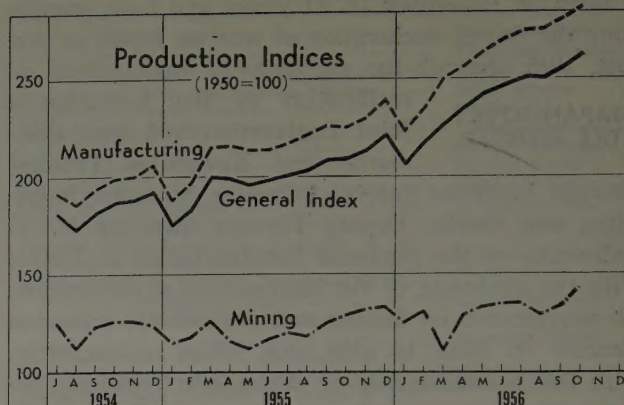
Business Indicators

Prices:—Wholesale prices started the year of 1956 in a stiff tone and continued strong until about September principally on the strength of the general hike of metals with iron and steel at the helm. The rise of building materials as well as machinery and affiliated lines was also responsible for the wholesale price march in the first nine months of 1956. Metals, however, began to weaken from October, and food items, already soft from earlier months, sagged further to slacken the soaring tempo. Thus, wholesale prices remained soundly quiet from October through November. Such stability, however, was short-lived as the sudden outbreak of the Suez Canal crisis offered an unexpected boost to prices. From early December, fuels with petroleum in the lead began to rebound and machinery started to tighten on the spur of active equipment investments. With the approach of the year-end rush, foodstuffs also began to hike. Reanimation of export contracts furnished an additional spur. With the Suez Canal blockaded, many Asian countries, including India, have begun to shift the suppliers of their major purchases from Western Europe to Japan, and such orders for cement, steel products, textile goods and sundries have increased sharply. Hence, the domestic prices of these export items, particularly cement, have begun to regain strength. The overall average of wholesale price indices as of December, 1956 was 15.3% higher than the low for July, 1955 with the metals group heading the list with the gain of 42.0% during the interim. Foodstuffs and building materials rose 11.0% and machinery and fuels gained 5.0%. With the effects of rising freight rates due to become increasingly manifest and the elevation of National Railways charges a certainty in the near future, the prices are likely to continue stiff, particularly if the cost curtailment by production expansion may fail to achieve its original end.

1. WHOLESALE PRICE INDICES
(June, 1950=100)

	July 1955	Sept., 1956	Dec., 1956	Against Sept., 1956	Against July, 1955
Total Average	146.7	170.9	169.2	99.0	115.3
Foodstuffs	134.8	149.4	150.5	100.7	111.6
Textiles	90.8	92.1	93.4	101.4	102.9
Fuels	157.9	164.8	169.0	102.5	107.0
Metals	212.1	338.5	311.1	91.9	141.9
Machinery	180.9	188.7	193.2	102.4	106.8
Building Materials	206.8	225.0	229.9	102.2	111.2
Chemicals	100.0	106.1	107.0	100.8	107.0
Sundries	135.9	133.8	135.8	101.5	9.99
Consumer Goods	131.6	143.4	145.2	101.3	110.3
Producer Goods	154.9	185.8	182.4	98.2	117.8
Total Average minus Foodstuffs	150.4	177.6	175.0	98.5	116.4
Note: As of mid-month.					
Source: Economic Planning Board.					

Consumer Demand:—The unabated tempo of consumption expansion is offering another prop to the



strength of wholesale prices. Domestic demand has continued active on the basis of brisk equipment investments. For instance, the volume of contracts received for machinery in August, 1956 was 2.3 fold the equivalent a year ago. Consumer demand surged up at an equally active pace. Department store sales, a reliable barometre of purchasing power, as of September, 1956 registered a sharp gain of some 25.7% over a year ago, well eclipsing the equivalent 11.9% gain recorded in September, 1955. There was a temporary lull in sales in October when the increase over a year ago reached only 16.4% (for stores in the Tokyo metropolitan area alone), but the proceeds for November and December are estimated to have been sufficiently up to cover the October slackening. Exports, on the other hand, appear to have hit the ceiling in some respect. One of the major deterrents in export trade is the fear of the possible enforcement of import restrictions for purchases from Japan. Expert circles, however, consider that the hike of purchases by Southeast Asian countries whose imports from Western Europe have been crippled due to the Suez Canal crisis will be a stimulant strong enough to make such fear groundless as a new brake to Japanese export trade. Hence, 1957 export trade is certainly to remain at the 1956 level, if not more favorable.

2. DEPARTMENT STORE SALES

	1955		1956	
	¥100 million	Indices (A year ago as 100)	¥100 million	Indices (A year ago as 100)
March	173.3	106.8	203.1	117.2
April	166.3	108.3	196.2	118.0
May	147.9	104.7	176.2	119.2
June	147.1	107.2	181.1	123.1
July	193.1	105.9	236.9	122.6
August	142.4	102.7	178.2	125.1
September	124.5	111.9	156.5	125.7

Source: Compiled by *The Oriental Economist* from MITI figures.

Living Cost:—The cost of living continued to stand almost unchanged throughout 1956, remaining nearly immune to the sharp hike of wholesale prices.

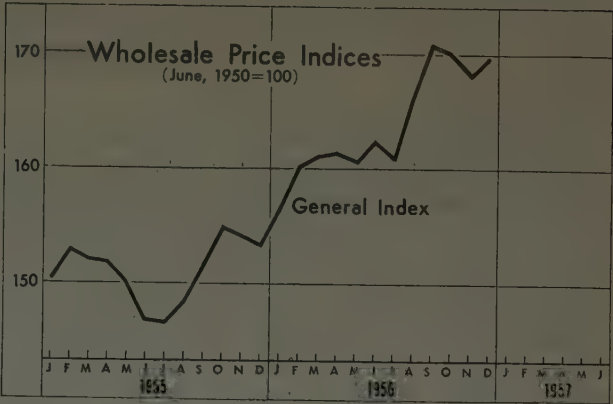
The consumer price index for October, 1956, for instance, was only 0.8% up over a year ago. This apparently strange phenomenon was attributable to the comparatively limited gain of wholesale prices for consumer goods in contrast to the marked increment of those for producer goods. The prices of food items, above all, continued weak throughout the year under the impact of a bumper rice crop with the October (1956) index some 3.0% lower than a year ago, contributing largely towards the stabilization of the cost of living. Equally noteworthy has been the steady slackening of the rising tone of housing expenses (inclusive of rent and repairing cost) in reaction to the successive hikes until September. Rents (land and houses inclusive) on an uninterrupted increase for some time, also appear to have hit the ceiling. The hike of wholesale prices, if in existence for long, however, is bound to boost the cost of living, and such a phenomenon is likely to become manifest from about the spring of 1957.

3. TOKYO CONSUMER PRICE INDICES
(1951=100)

	Sept., 1956	Oct., 1956	Against Sept., 1955	Against Oct., 1956
Total Average.....	118.4	117.2	100.8	99.3
Foodstuffs.....	113.2	111.4	98.8	93.9
Staple.....	121.1	121.1	97.2	92.9
Non-staple.....	109.1	106.3	99.7	94.6
Clothing.....	83.0	82.8	101.7	100.2
Light-Fuel.....	139.5	137.9	101.5	103.1
Housing.....	145.2	144.9	109.7	116.8
Miscellaneous.....	142.4	142.2	102.7	106.2

Source: Bureau of Statistics, Prime Minister's Office.

Production:—Well reflective of the sound increase in demand, production continued rising throughout 1956 with the index (inclusive of mining and manufacturing) for October, 1956 some 25.0% larger than a year ago. Particularly sizable were the gains of railway rolling stock (up 88.0%), steel ships (up 80.0%) and machinery (up 56%). Textile manufactures and rubber goods also registered 30% gains. Daily necessities, chemicals, paper-pulp, foodstuffs, hide-leather goods and ceramics also advanced nearly 20% each. With production well on the march, there is no immediate fear of any sharp price elevation due to undersupplies. The rising tempo of production, however, began signs of slackening in October when the outputs of iron-steel and machinery slipped from the September levels, the former under the impact of the long-drawn steel workers strike. The October recession of machinery were due to three dampers 1) the production capacity has apparently reached the limit; 2) the advent of new bottlenecks (such as the restricted supply of iron, steel, electric power and other raw materials and insufficient transportation); and 3) the growing shortage of expert mechanics and trained workers. Hence, the size of backlogs at machinery manufacturing mills has been increasing and delivery periods have been retarded. The resultant deferment of some equipment investments, on the other hand, is lessening the force of inflationary factors.



4. OCTOBER PRODUCTION INDICES
(1950=100)

	Sept., 1956	Oct., 1956	Against Sept., 1956	Against Oct., 1955
Mining-Manufacturing	257.9	262.3	101.7	125.0
Mining	135.3	144.9	107.1	112.6
Manufacturing	283.1	286.5	101.2	126.4
Iron & Steel	239.7	229.6	95.8	110.1
Non-Ferrous Metals	206.2	208.1	100.9	114.5
Machinery.....	318.3	310.8	97.6	156.3
Steel Ships	621.1	621.1	100.0	179.8
Rolling Stocks	184.8	209.9	113.6	188.3
Textiles.....	322.9	332.1	102.8	131.4
Paper & Pulp	294.7	310.6	105.4	118.1
Chemicals.....	256.7	262.0	102.1	119.7
Pharmaceuticals	849.4	849.4	100.0	108.0
Oil Products	498.3	551.0	110.6	110.6
Ceramics	230.2	227.4	98.8	117.5
Rubber Goods.....	200.7	207.1	103.2	130.1
Leather Goods	289.6	305.1	105.4	117.0
Daily Necessaries	241.9	248.1	102.6	120.0
Lumber	159.7	159.7	100.0	102.6
Foodstuffs.....	218.2	216.4	99.2	118.5
Tobacco	146.5	156.1	106.6	107.4

Source: MITI.

Inventories:—Inventories in the hands of manufacturers, which continued to dwindle from August through September due to the excess of production over demand, began to gain in October with the month-end index up 1.3% over September. Such inventories gains particularly marked mining products (especially coal), machinery, chemicals and rubber. Inventories of raw materials have also swelled due to active imports with the October-end index exceeding a month ago by 6.8% and up as much as 48.3% over a year ago. Hence, there will be no undersupplies of raw materials for major industries except in iron-steel, electric power and transportation. With modernized and rejuvenated equipments likely to start operation one after another in succession, production is certain to retain a sound increasing tempo.

5. INDICES OF MANUFACTURERS' INVENTORIES
(1950 average=100)

	Sept., 1956	Oct., 1956	Against Sept., 1956	Against Oct., 1955
Mining-Manufacturing	134.1	135.8	101.3	97.0
Mining	53.0	55.9	105.5	53.2
Manufacturing	144.4	146.0	101.1	101.0
Iron & Steel.....	158.1	160.6	101.6	93.6
Non-ferrous Metals.....	76.4	76.9	100.7	110.8
Machinery.....	139.4	144.6	103.7	90.5
Textiles.....	114.7	115.9	101.0	104.4
Paper, Pulp	241.4	238.1	98.6	85.7
Chemicals.....	270.4	277.6	102.7	113.5
Petroleum, Coal Products ..	171.6	171.5	99.9	118.8
Ceramics	139.9	131.6	94.1	90.9
Rubber Goods.....	178.1	182.2	102.3	124.5
Hides, Leathers	129.8	129.9	100.1	122.8
Others	89.9	93.7	104.2	109.7

Source: Ministry of International Trade & Industry.

Money and Banking

November Money :—Money in November failed to grow so easy as originally expected as the Treasury-to-public balance was unexpectedly small. Call rates, accordingly, failed to make a ready slip. The excess of financial fund payments over receipts in November amounted to ¥21,300 million, far smaller than the original target of ¥40,000 million, chiefly because of the decrease of the payment excess in the General Account and the expansion of the receipt excess in the Foreign Exchange Account. In the General Account, the revenue from taxes and monopolies registered a comfortable gain on the spur of the continued business boom to reach ¥67,000 million, some ¥2,000 million larger than the original goal. On the other hand, the expenditure in the General Account failed to make the expected increase as payments for educational and other expenses were comparatively retarded, although spending for the Defense Agency and public works progressed at a fair tempo. The result was the excess of payments some ¥2,000 million short of the original target. In the special accounts, the food control account recorded the payment excess of ¥11,300 million while the receipt excess from National Railways, postal services, telephone and telegram, etc. was nearly ¥13,000 million larger than originally scheduled. As of consequence, the special accounts, as a whole, registered a meagre payment excess of ¥1,900 million, some ¥8,000 million smaller than the set goal. In the Foreign Exchange Account, on its part, registered the fair payment excess of ¥7,800 million, contrary to the original expectation that the receipts and payments in this account would be equally balanced, as imports continued to make sound headway. Although the payment excess of financial funds was thus sizably smaller than the original target, however, money in November was somewhat easier than in October due to the progress of payments for quota rice deliveries. The balance of call loans began to increase after the turn of the month and registered an all-time high of ¥120,000 million (in Tokyo and Osaka, inclusive) as of mid-November. The marked swelling of funds in the market was attributable to several new factors such as 1) the release of bulky funds in the form of quota rice payments and 2) hasty repayments of loans by city banks to the Bank of Japan. Demands for funds continued active with loans extended by city banks during November increasing ¥76,800 million (¥119,900 million by all banks).

Loans by the Bank of Japan decreased ¥4,600 million during November to the month-end balance of ¥71,100 million due to brisk repayments by city banks. The note issue swelled ¥14,900 million to the month-end balance of ¥626,000 million, some ¥66,700 million larger than a year ago, well reflecting the aggrandizement of transactions.

Bank Accounts :—Banking business in the first half of fiscal 1956 (April to September) fared well, according to the announcement made by the Ministry of Finance and the Bank of Japan on November

27 on the basis of results of 86 leading banks in the country. According to this survey, earnings made a fair increase on the strength of the continued business pick up and the lively demand for funds with the combined profits before depreciation for the term reaching ¥40,500 million, up 2.5% over the preceding term. Special features of the results of the 86 banks in the first half included: 1) Due to the marked increase of the volume of funds handled, the ratio of the deposit cost declined. The deposit cost of provincial banks, which had hitherto been comparatively high, dived below the 7% mark per annum to the 6% level; and 2) The profits before depreciation garnered by city banks remained almost intact while those of provincial banks registered more than 7% gain over the preceding term, as the slip of money rates for the former was nearly double that for the latter in the term under review. The volume of funds handled by the 86 banks during the term increased sharply as loans swelled markedly to take care of equipment investments. Deposits accordingly gained. Thus, the average balance of funds operated by the banks (deposits, bonds and borrowings) during the term totalled ¥4,080,700 million, marking the hike of ¥342.600 million over the equivalent balance in the preceding term. This increasing rate stood at 9.1% as compared with 7.0% for the preceding term and 5.8% for the like term a year ago. Because of the unexpected swelling of deposits, the cost of deposits declined to 6.81% for the term under review, a shrinkage of 0.043% from the preceding term. Meanwhile, the average interest rate on loans extended during the term stood at 8.274% per annum, registering a loss of 0.31%. The average interest rate on loans by city banks made a sharper drop of 0.299%, far in excess of the loss of 0.157% for provincial banks, principally due to keener competition among the former banks in transactions with key industries. The notable fall of the interest rates naturally counterbalanced the benefit of the lowered cost of deposits and the margin for all banks slipped to 1.303% for the term, 0.174% smaller than that for the preceding term. The increase in profits despite the dwindling of the margin, however, was made possible by the rising volume of funds handled.

MONEY IN NOVEMBER

(In ¥100 million)

	November, 1956	November, 1955
Note Issue (October end).....	6,111	5,493
Note Issue (November end).....	6,260	5,593
Increase.....	149	100
Financial Fund Balance (1).....	213	165
Short-term Govt. Notes (2).....	12	—
Bank of Japan Account (3).....	(-) 76	(-) 65
Loans.....	(-) 46	(-) 189
(month-end balance).....	(711)	(642)
Short-term bonds.....	20	—
Private deposits.....	(-) 35	(-) 78
Others.....	(-) 15	230
(1) (2) (3).....	149	100

Source: Compiled by The Oriental Economist,

Stock Market

Another Jump :—Share prices, on the rebound since October, redoubled the rising tempo from early December to register a new high. The Dow-Jones average of 225 pivotals as of December 6 climbed to ¥566.30, eclipsing the November high of ¥556.56, and continued stiff to stand at ¥559.43 as of December 11. The gain during the period of nearly one month (from the November low of ¥512.94 on the 8th to the December 6 high of ¥566.30) reached 10.39 percent, one of the stiffest leaps ever recorded within a single month. In the bullish market the daily volume of turnovers swelled sharply with the December 6 transactions reaching 66,845,000 shares, the largest in the history of the Tokyo Securities Exchange. The daily average volume of dealings during the period from December 1 to 11 stood at 42,271,000, well ahead of the November daily average of 42,271,000 shares.

1. SHARE PRICES AND TURNOVERS

	Share Prices (Yen)			Average Daily Turnovers (1,000 shares)
	High	Low	Average	
1956: January.....	481.60	420.14	426.46	14,886
February.....	430.64	422.50	429.71	15,485
March.....	458.58	440.17	444.29	18,907
April.....	487.35	462.41	472.22	28,485
May.....	488.43	472.10	480.55	24,355
June.....	512.25	491.03	502.21	27,528
July.....	502.14	482.87	490.80	16,042
August.....	507.31	493.69	503.03	15,450
September.....	492.92	482.70	487.24	12,127
October.....	508.98	487.15	496.19	19,996
November.....	556.58	512.94	532.76	39,673
December.....	566.30	554.77	560.07	42,271

Source: The Oriental Economist.

Overall Hikes :—Chiefly responsible for the sharp share price upsurge was the tension in the Middle East and Eastern Europe. As shown in Table 2, of the 14 groups into which 225 listed shares are classified, shippings registered the sharpest gain of 22.59% during the period from November 8 low and the December 6 high. The Suez Canal crisis was the direct stimulant to boost shipping stocks. The blockade of the Suez Canal has forced marine freights up sharply on one hand and has activated the movement of cargo from Japan to Southeast Asia with the result that earnings of shipping companies have markedly increased. The rise of shippings shares naturally spurred some other leading stocks such as minings, shipbuildings and metals (including iron and steel). Also energetic were the leaps of textiles, foodstuffs, fisheries, chemicals and sundry industries (cement, pulp and paper) while commercials (represented by department stores and trading houses) followed suit in an overall upsurge, as these industries made extremely good showings for the term ended either in September or October.

Warnings :—Governmental circles apparently take

2. PRICE FLUCTUATIONS OF 225 PIVOTALS

Groups	Nov. 8 (Yen)	Dec. 6 (Yen)	Losses or gain (¥)	%
Averages of 225 Pivotal..	512.94	566.30	(¥)53.36	10.29
Banking, Insurance.....	269.45	645.21	(¥)15.76	2.50
Railway Transportation....	313.09	323.46	(¥)10.37	3.31
Shipping	303.15	371.65	(¥)68.50	22.59
Gas, Electricity	199.26	210.81	(¥)11.55	5.89
Mining	463.55	516.78	(¥)53.23	11.48
Shipbuilding, Machinery ..	251.75	274.07	(¥)22.32	8.86
Iron-Steel, Metals	124.64	133.98	(¥) 9.34	7.49
Textiles	674.48	757.46	(¥)82.98	12.15
Foodstuffs	942.49	1,047.28	(¥)104.79	11.11
Fisheries	158.09	180.88	(¥)22.79	14.41
Chemicals	456.15	497.28	(¥)41.13	9.00
Miscellaneous	537.44	598.04	(¥)60.60	11.27
Commerce	915.58	1,051.42	(¥)135.84	14.82
Amusements	375.96	395.74	(¥)19.78	5.26

Source: The Oriental Economist.

a view that such a sharp gain of share prices in recent weeks has been excessive in scale. The Ministry of Finance on December 6 issued a warning in this connection to the representatives of security circles called to a special conference. At this meeting, Director Kono of the Financial Bureau of the Ministry of Finance expressed fear that in the extremely bullish market credit transactions must have grown too bulky and asked for self-discipline and utmost caution on the part of securities merchants in future share operations. Mr. Kono said that the balance of loans made by the Japan Securities Financing Corporation has increased markedly, indicating that credit transactions by some of securities merchants have swelled to extraordinary proportions over the legal frame of borrowings for certain securities firms. Such a situation, he added, would prove highly harmful to the sound management of securities business and would eventually prove disastrous to stock investors in general. He concluded that the Ministry of Finance would take a specially rigorous attitude in controlling securities companies whose borrowings from the Japan Securities Financing Corporation have exceeded the legal limits. The similar attitude of self-discipline was also urged by Director Sasaki of the Bank of Japan in a meeting with leaders of 14 major provincial banks on December 7. Mr. Sasaki warned that the Bank of Japan also takes a view that the latest hike of share prices is excessive in scale and asked for self-disciplinary measures in future securities financing. Mr. Sasaki's warning is summarized as follows: 1) The Bank of Japan takes the same view with the Ministry of Finance that credit transactions by securities merchants have gone too far; 2) The balance of loans extended by all banks throughout the country to securities merchants as of the end of September this year was more than double the like balance at the end of 1955, and the expansion was excessively swift; 3) The Bank of Japan was not intending to restrict the supply of loans needed for raising funds necessary

for capital expansion, but would stand on alert against speculative manipulations by city banks in order to lead stock financing operations along self-disciplinary lines side by side with the similar measures to be adopted by the Ministry of Finance and the Japan Securities Financing Corporation.

Financing Curb:—In response to the Government's demand for self-discipline, the Tokyo Securities Exchange, after consultation with the Japan Securities Financing Corporation, enforced restrictions over securities financing operations by the latter body: 1) The amounts of securities against accommodations by the Corporation shall be increased 15% in case such accommodations exceed the set frames (for respective securities merchants) by 20%, 20% (30%) and 30% (50%). Such securities shall be deposited in cash to the amount of 5%). Previously, 10% increases in securities were asked for all accommodations extended beyond set frames. 2) The new system is not applicable to minor accommodations not exceeding ¥80,000,000 in value.

Following the announcement of restrictive measures by the Government, share prices began to slip marginally, but the price undertone continued firm. In view of the swift hike of share prices within the period of less than a month and the sharp increase of the balance of accommodations extended by the

Japan Securities Financing Corporation, it may be said that the latest share price zooming has been attributable partly to speculative transactions. The average yield of leading shares accordingly dipped somewhat abnormally. According to the survey of the Tokyo Securities Exchange based on the peak prices of December 6, the average yield of 225 major shares (on the basis of dividends for the preceding term) stood at 6.09% (6.38% for 208 dividend-giving shares). This yield is excessively low in view of the fact that the average yield of gilt-edged bonds. Hence, the warning by the Ministry of Finance is quite justifiable. For all the fuss about the latest upsurge of share prices, however, optimistic views are predominant as to the future outlook of the stock market in many quarters. These quarters are apparently convinced that corporate results will continue hiking as the current business and industrial boom is bound to march on at an unabated tempo. Hence, they opine, the current level of share prices, although markedly up, is not necessarily excessively high on the basis of the possible pickup in business and industry in the first half of 1957. In this connection, they consider that the restrictive measures adopted by the Government will not lead to any drastic drop of share prices, but will work instead to enable the sound growth of share quotations.



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Best Postwar New Year

FOR the Japanese economy the year 1956 turned out to be even better than 1955 which was called the "best postwar year." And with this prosperous year behind us, we welcome 1957, expected to hold forth promise of even greater progress, although businesswise there appear to be some problems both internal and external.

Looking back on 1956, it will be recalled economic activity was such that about May-June there appeared warnings against inflation. The bases for these precautionary admonitions were, among other things, the rise in wholesale prices, overinvestment in plant, and the fear of a worsening of the nation's balance of payments. Moreover, the warnings tended to create the impression that prosperity was about to level off.

True, there was a rise in prices by some 6.5 percent in the 10-month period ended with October (Bank of Japan wholesale price index). This surge, when compared with the less than 2 percent rise of prices in Britain, France and the United States, certainly appeared to be excessive. But a closer look at the situation gave some reassurance; although industrial (producer) items, notably steel, went up 1 to 2 percent on the average, the price of consumer goods actually declined somewhat as against the 1955 level. Consequently, it can now be said that the apprehension regarding inflation was quite unwarranted.

In regard to the Japanese economy in the year 1956 there are at least four points calling for special mention.

First is the notable improvement achieved in business operations, with depreciation coverage and withholding of reserves at the legal maximum, and with definite consolidation of corporate content.

Second, there was acceleration of industrial modernization and "rationalization," with the proportion to the whole of heavy and chemical industries raised quite considerably.

Third, the small businesses and industries, which previously had tended to be left in the shadows, began to have access to more warmth and light; while the tide of prosperity flowed to cover even the rural areas.

Fourth, because of the bottlenecks created by transportation, electric power, and steel, the growth of the economy was actually held down to lower than what it might have been had these impediments not existed.

In predicting what the new year may hold in store for us, first thought must be given to the state of the world economy. For, needless to say, the betterment of the Japanese economy since 1955 was directly due to the steady upward course of

world business activity.

The free world has continued prosperous for three successive years, and the reasons for this boom can be considered to be the four enumerated below.

One, the progress made in sound internal build-up of industrial strength without undue apprehension as to the duration of world peace.

Two, the rising standard of living of the masses, with growing demands for durable goods.

Three, modernization of industrial and other plant, and in addition to heightened efficiency of considerable investment in readiness for the so-called third industrial revolution.

Four, substantial monetary aid extended by the industrialized nations to expedite development of the under-developed areas of the world.

However, the warfare that broke out in the Near East and Eastern Europe dampened the hopes for unbroken peace, causing a wave of concern to sweep over the globe. In what way will these recent disturbances affect the world economy in 1957?

It is difficult to predict what will come of these outbreaks of violence. It appears, however, that the military clashes in the Suez area have been averted by the mobilization of the United Nations police contingent and the withdrawal of the British, French and Israeli forces. But there still remains the danger of localized hostilities in Syria and Iraq, although there appears to be no great likelihood of serious trouble developing.

It must, however, be recognized that both the Near East and the Eastern European disputes have created hatred, fear and suspicion among the nations involved. Consequently there can be expected to be either a slowdown of disarmament or action to build up military strength. Should this happen, there is bound to be some change in the world economic situation, although the effects may be slow in manifesting themselves.

Another thing that must be taken into consideration is the effect of the sabotaging of the Suez Canal. Already, Britain and the countries of Western Europe are pinched badly for oil. Production in these nations has started to lag, while prices are on a steady rise. Consequently, the European economy will inevitably suffer a setback even though it may be a temporary one. Moreover, the blocking of the Suez Canal is bound to affect in an adverse manner the purchasing power of the Near East and Southeast Asia nations that depend heavily on European prosperity. If clearing the canal takes several months, this possibility cannot be taken lightly.

The two disturbances, one in the Near East and the other in Eastern Europe, have definitely cast a shadow on the world economy. But fortunately all indications point to continuing prosperity in the United States during 1957. In reply to a question posed by *Business Week* all United States economics and business experts agreed that there exists the possibility of America facing a recession, but the majority felt that in the past two decades the United States has learned how to prevent or avoid major depressions, and in the event of impending danger every possible means will be taken to ward off the threat. At least in so far as 1957 is concerned there appears to be little or no cause for worry about recession in the United States.

Seen in this way, the factors working on the Japanese economy are by no means simple and straightforward. Already, the tapering off of European production and the raise in shipping costs are causing a spurt in Japanese exports to the Southeast Asia area. On the other hand there is bound to be a decline in trade with Western Europe.

Another thing is that Japan depends on the Middle East for 75 percent of her petroleum imports, so any prolongation of the disturbances in that area or any worsening of the trouble may curtail oil production and supply, forcing Japan to seek other sources. Should this happen the shortage of tankers would certainly cause a tightening of supply.

But taking a more comprehensive view of the prospects, there can be no serious error in judging the economic outlook to be bright. In trade, there is increasing likelihood that export volume to

Communist China will grow, at least to a level higher than that of 1956. It is improbable that investment in plant facilities will recede in any appreciable way, while it is expected that consumer spending will grow on a sound basis without any slackening of the propensity to save. In the consumer goods field there already exists a tendency toward overproduction, and this in conjunction with the foreign exchange surplus of some \$1,400 million makes it unlikely that an inflationary spiral will be induced by consumer spending.

We must not, however, become intoxicated with these bright prospects; and it will be to our benefit to take due note of the points listed below.

One, serious effort must be made to cultivate the strength to compete in foreign markets.

Two, endeavors are called for to open up the three major bottlenecks impeding the growth of the economy, by build-up of capacity in transportation, electric power, and iron and steel production.

Three, there remain many projects such as harbor construction, industrial area improvements, dwelling construction, and national resources development, which have to a large extent remained untouched despite the importance of these activities as the groundwork for future economic development. These undertakings would also provide jobs for the unemployed.

Finally, we should like to emphasize that while effort is expected of private business to capitalize on the current prosperity to strengthen the economic foundation of the nation there is much to be sought of political action to ensure the maximum possible achievement.

Banking and Cheaper Money

THE financial reports of the major banks for the half-year ended September 1956 indicate, generally speaking, satisfactory business results. The city banks were notably good. However, this was more superficial than actual, and the effects of cheaper money cannot be disregarded. What actually happened was that the drop in the yield from loans was covered by increase in overall

volume of business; and what particularly is problematical is the decrease, as against previous terms, in reserves taken out of profit. This article will take a second look at the business results of the big banks, generally thought to be doing very well.

The September term reports of the big seven city banks (Fuji, Mitsubishi, Sanwa, Sumitomo, Dai-

1. BIG SEVEN BANKS PROFIT FIGURES

(In ¥ million)

	Capital	Profit Before Amortization		Stated Profit		Profit Rate (%)	
		Mar. '56	Sept. '56	Mar. '56	Sept. '56	Mar. '56	Sept. '56
Fuji	5,500 (4,100)	2,602	2,618	1,101	1,165	81.6	56.8
Mitsubishi	5,500 (4,125)	2,295	2,324	875	965	63.6	46.8
Sanwa	5,000 (3,750)	2,288	2,305	874	937	70.0	50.0
Sumitomo	5,000 (3,640)	2,251	2,276	854	932	74.9	51.2
Dai-Ichi	4,500 (3,270)	1,815	1,827	715	765	70.1	46.8
Mitsui	4,500 (3,250)	1,634	1,694	703	753	70.3	46.3
Tokai	4,400 (4,400)	1,904	1,912	837	889	76.0	40.4

Note: Figures in parentheses are average paid-up capital during the September term.
Source: Compiled by *The Oriental Economist*.

ichi, Mitsui, and Tokai) show definitely better results than their March statements. As shown in Table 1, both profits before amortization and stated profits were in all cases better than for the preceding term. Particularly good in this respect were Mitsubishi and Sumitomo, the most "Zaibatsu" inclined of the big seven. Mitsubishi's profit before amortization stood at ¥29 million more than for the March term, while Sumitomo made a gain of ¥25 million. With stated profit, Mitsubishi had ¥90 million more than for the March term, and Sumitomo ¥78 million. They were therefore considerably ahead of Fuji and Sanwa, with unamortized profits up ¥16 million to ¥17 million, and stated profits up ¥63 million to ¥64 million.

In all cases, the increase in stated profits was bigger than that of unamortized profits. This was due mainly to the need for some boost in nominal profit to cover dividend requirements, which, despite the reduction in rate to 10 percent from the former 12 percent, had grown as a result of recapitalization undertaken during the September term.

It had been thought that with the sharp drop in money rates since mid-1955 bank operation would become appreciably tighter. But what actually transpired was a gain in profits, at least on the surface. This was the outcome of the heightened demand for money, stimulated by the generally high industrial activity during the six months ended with September 1956, which resulted in increases in turnover of commodities and in growth of foreign trade.

In short, the increase in volume of bank business contributed substantially to betterment of the profit-loss situation. Moreover, this generally favorable condition was to the benefit of the city banks, particularly the big seven under review.

Comparing the gains made during the September term by these seven banks in deposits, loans, and borrowings with those of the preceding term it is found that without exception the growth rate of deposits continued to be good. During the March term, however, because the demand for money was rather slack, and there remained the burden of borrowings from the Bank of Japan, there was an easing of lending activities, with a portion of the gain in deposits used for repayment of borrowings.

The September term, as already mentioned, brought high demand for money; and there was a spurting rise in gains extended. For instance, in the case of Fuji, whereas the gain in lending during the March term had been ¥16,800 million, the increase during the September term was about three times this amount at ¥47,600 million. Mitsubishi's lendings increased by ¥40,300 million as against the ¥27,400 million of the March term, while in the case of Sanwa the September term increase came to ¥42,100 million as against ¥19,300 million. The total for all seven banks was a gain of ¥250,700

million, as against ¥102,700 million for the March term, indicating a 2.4-fold increase in the rate of gain.

It is to be noted that during the September term there was excess withdrawal of money into the Treasury in the amount of ¥43,700 million—quite the reverse of what occurred at the same time in 1955, when some ¥111,100 million were overspent—and this tightening of the money situation caused the banks, which had reduced their borrowings from the Bank of Japan, again to turn to the central bank for credit.

2. COST OF SERVICING DEPOSITS

	Average Deposits Balance (A, in ¥100 million)	Interest Paid and Expenses (B, in ¥ million)	Cost of Deposits $\frac{B \times 2}{A}$, in %	Comparison with March Term
Fuji	2,769	9,175	6.62(7.05)	↪0.43
Mitsubishi.....	2,667	9,039	6.78(6.81)	↪0.03
Sanwa	2,538	8,589	6.77(7.01)	↪0.24
Sumitomo	2,447	8,153	6.66(6.88)	↪0.24
Daiichi	1,646	5,387	6.55(7.09)	↪0.54
Mitsui	1,557	5,104	6.60(6.72)	↪0.12
Tokai.....	1,680	5,969	7.12(7.20)	↪0.08
Total	15,304	51,316	6.71(6.94)	↪0.23

Note: Figures in parentheses are for the March 1956 term.
Source: Compiled by The Oriental Economist.

However, regardless of what happened, there was a sharp increase in funds turnover, and this was the major factor contributing to good business results for the September term despite the continuing downtrend of money rates.

Another contributing factor, though perhaps not so important, was the decline in the cost of servicing deposits. Table 2 shows that there was, for the seven banks, an average drop of 0.23 percent as against the March term rate. This in terms of per diem per ¥100 is but ¥0.00063. Even in the case of Fuji and Daiichi, where the biggest cost reductions were effected, the drop was only slightly more than ¥0.001 per diem.

Although there has been recognizable effort on the part of the banks to streamline operations in order to meet the decline in yield caused by cheaper money rates, the results achieved have been small. Consequently, the profits realized during the September term were mainly the result of increased volume and decrease in unit cost. Naturally, the reduction of the cost of deposits servicing cannot be ignored completely as a factor contributing to better business results.

3. CHANGES IN PRINCIPAL ACCOUNTS

(Increase or decrease in ¥100 million)

	Deposits		Loans		Borrowings	
	Mar. '56	Sept. '56	Mar. '56	Sept. '56	Mar. '56	Sept. '56
Fuji.....	328	373	168	476	↪ 55	78
Mitsubishi....	359	325	274	403	↪ 5	48
Sanwa	326	342	193	421	↪106	84
Sumitomo	277	311	189	388	↪ 54	77
Daiichi	157	275	96	300	↪ 23	35
Mitsui.....	160	246	83	293	↪ 39	41
Tokai	153	163	24	225	↪105	18

Source: Compiled by The Oriental Economist.

4. BANK BUSINESS ASSETS DATA

	Average Business Assets Volume (A, in ¥100 million)	Current Income (B, in ¥ million)	Profit Before Amorti- zation (C, in ¥ million)	Yield from Business Assets $\left(\frac{B \times 2}{A}, \text{percent}\right)$		Comparison	Profit Rate $\left(\frac{C \times 2}{B}, \text{percent}\right)$		Comparison
				Sept. '56	Mar. '56		Sept. '56	Mar. '56	
Fuji	3,086	12,639	2,617	8.21	8.77	(→) 0.56	1.70	1.94	(→) 0.24
Mitsubishi	2,896	11,785	2,324	8.14	8.69	(→) 0.55	1.61	1.85	(→) 0.24
Sanwa	2,929	11,958	2,303	8.17	8.50	(→) 0.33	1.57	1.79	(→) 0.20
Sumitomo.....	2,745	11,104	2,275	8.09	8.56	(→) 0.47	1.66	1.87	(→) 0.21
Dai-Ichi	1,974	8,039	1,826	8.15	8.72	(→) 0.52	1.85	2.08	(→) 0.23
Mitsui	1,999	8,009	1,964	8.01	8.50	(→) 0.49	1.70	1.93	(→) 0.23
Tokai	1,996	8,291	1,912	8.31	8.66	(→) 0.35	1.92	2.09	(→) 0.17
Total.....	17,625	71,855	14,951	8.15	8.58	(→) 0.43	1.70	1.91	(→) 0.21

Source: Compiled by *The Oriental Economist*.

In this way, not only have bank business results been kept from declining as had been feared at the outset, but there has been some tangible improvement. But when these results are more closely analyzed some questionable points are revealed. Needless to say, these are directly related to the decline of money rates.

The softening of money rates began in June 1955 with the reduction by ¥0.001 per diem of the charge for discounting of ordinary promissory notes. Subsequently, there occurred a rapid decline of money rates, and from 1955 up to January and February of 1956 the downtrend was particularly notable. However, the direct effect of this decline began to be felt by the banking business after April this year, and during the term ended in September the banks began reducing rates on demand from individual borrowers. The result was that whereas in March the median rate charged by all Japanese banks stood at ¥0.024 per diem on short-term loans, this was down to ¥0.022 or ¥0.021 by September, while the rate for long-term loans averaged ¥0.026, down ¥0.002.

Furthermore, there was a general decline of dividend rates, while there occurred several revisions of the terms of issue of corporate bonds. Consequently, the banks could not but face as inevitable a decline in yield from lendings. The details of this drop in earnings rates are given in Table 4.

The average yield from business assets for the seven big banks during the March term stood at 8.5 percent (¥0.0234 per diem). But for the September term the rate dropped to 8.15 percent (¥0.0223 per diem). The drops in rate of profit were smallest in the case of Sanwa and Tokai, with the biggest decline experienced by Fuji, followed by Mitsubishi, Daiichi, Mitsui, and Sumitomo, in the order named. The reason Sanwa and Tokai suffered less setback than the others is that they serve, relatively speaking, a larger number of small businesses. When the decline in yield is compared with the reduction in cost of servicing deposits, Daiichi alone barely manages to cover the loss, and in all other cases the decline is greater than the savings effected. Consequently, the profit rate on average volume of business assets has generally come down from the 1.91 percent of the March term to 1.7 percent. In other words, although the bank business results for

the September term do indicate an increase in profit, a check on the earning rates reveals that things are not altogether satisfactory. As a criterion of the true status of the banking business, the earning rate should be preferred over other yardsticks.

Naturally, a decline in the earning rate would not be a desirable thing from the standpoint of any bank. But from the viewpoint of normalization of the credit system, a situation calling for higher turnover to make up for decreased yield is not at all undesirable. Consequently, the results for the September term, with profit up despite cheaper lending rates, can be considered quite satisfactory.

When, however, the operations of the big seven banks during the September term are reviewed in regard to build-up of reserves, another questionable point is revealed. Table 5 is a comparative tabulation of the amortization (total of the net gain in reserves for bad loans, price fluctuation, retirement pay, &c., coverage of bad loans; and coverage for depreciation of fixed assets) and reserves withheld from earnings.

5. RESERVE WITHHELD FROM EARNINGS

(In ¥ million)

	Amorti- zation	Reserves Resulting from Profit Disposition	Total Reserves (A)	Total Reserves March Term (B)	A vs. B
Fuji	1,452	635	2,087	2,105	(→) 18
Mitsubishi	1,359	445	1,804	1,845	(→) 41
Sanwa	1,368	476	1,844	1,872	(→) 28
Sumitomo	1,344	447	1,791	1,822	(→) 31
Dai-Ichi	1,062	459	1,521	1,538	(→) 17
Mitsui	941	563	1,509	1,522	(→) 13
Tokai	1,023	461	1,484	1,526	(→) 42

Source: Compiled by *The Oriental Economist*.

In all cases the total reserves came to a lower level than for the March 1956 term, with Mitsubishi down ¥41 million and Tokai down ¥42 million. As has been already explained, the business volume of all these banks went up sharply during the September term, so normally, and particularly with the banking business, there should have been a corresponding gain in build-up of reserves. What happened was just the reverse, with the level dropping below that of the March term.

The bigger the reserve, the safer the deposits. Moreover, since there is little or no cost involved in such build-up of funds, the greater the reserve the higher the earning rate with better ability to cope with the low money rate situation.

Table 6 shows the proportion of reserves to total business assets. Since the reserve level dropped below the March term mark, while there was an increase in available working assets, there was an inevitable decline of the saving rate.

In prewar times, the ratio of own capital, including reserves, to working assets stood at more than 10 percent. As a result of recapitalization, Daiichi for example was back at 8 percent, close to the prewar level, for the March term. The others too were somewhere around from 6 to 7 percent. But in the September term there was a general retrogression. Consequently, without exception there occurred, despite gain in earnings, some slight weakening of content. Although one reason for this was the change of the tax law preventing too much tax-free reserve for retirement pay, the main cause was none other

6. COMPARISON OF SAVING RATES

	Business Assets at Term End (A, in ¥100 million)	Capital (B, in ¥ million)	Own Capital (C, in ¥ million)	$\frac{B+C}{A}$ (%)	$\frac{C}{A}$ (%)
Fuji.....	3,350	5,500	16,098	6.45(7.11)	4.81(5.16)
Mitsubishi..	3,137	5,500	14,111	6.25(6.85)	4.50(4.78)
Sanwa.....	3,172	5,000	12,489	5.51(6.12)	3.94(4.26)
Sumitomo..	2,965	5,000	12,670	5.96(6.52)	4.27(4.54)
Dai-Ichi....	2,149	4,500	11,097	7.26(8.09)	5.16(5.59)
Mitsui.....	2,183	4,500	8,775	6.08(6.75)	4.02(4.27)
Tokai.....	2,134	4,400	11,204	7.31(7.67)	5.25(5.31)

Notes: "Own Capital" does not include reserve for assets revaluation.

Parenthesized figures are for March 1956 term.

Source: Compiled by *The Oriental Economist*.

than the decline of money rates.

How then is the outlook for the current term ending March 1957? The demand for funds is fairly high, while although there will be a considerable fiscal absorption of money during the January-March quarter of 1957, the spending before yearend should be high. Consequently the volume of money in circulation will be large,

On the other hand, the money rate has declined to about as far as it can go; and although there may still be some reductions for adjustments there is the possibility of some increases. Consequently, the rates as a whole can be considered to have steadied. Also, it is clear from the study of bank operations that lower money rates are bound to create difficulties for the banking business.

If, with increase in the overall volume of money, there is no change in money rates, bank earnings are bound to improve. Although competition among the big banks is intense, it is not as yet so strong as to affect earnings appreciably.

While it is manifest that the banks must endeavor to build up reserves and undertake better coverage of depreciation, the present tax law imposes certain limitations. Unless taxable depreciation coverage is undertaken without hesitation it will be difficult to keep book profits from continuing to rise. Whether the financial status of the banks can be properly consolidated under such circumstances remains, it seems, a moot point.

Farm Living Standards

JAPANESE farmers depend upon farming for 60 percent of their income, the remainder coming from sources other than farming or related activities. Roughly half of the income from farming is from rice production. Consequently the rice crop affects the farm economy in no small way.

According to estimates dated August 15, 1956, the national production of rice was expected to be 73,600,000 *Koku* (*Koku*=4.96 bushels) this year. But because of poor weather conditions, and repression of rice plant ripening, the final estimate of the Ministry of Agriculture and Forestry, dated October 15, 1956, puts the total at 69,800,000 *Koku*. This is less by 11 percent than the record-shattering 79,030,000 *Koku* of 1955, but it is still higher by 2,600,000 *Koku* than the accepted "normal" annual production level of 67,270,000 *Koku*. Consequently, the rice crop of 1956 ranks third after the second biggest harvest in Japanese history, that of 1933 yielding 80,000,000 *Koku*.

The reason for this high level of production despite unfavorable weather conditions is considered to lie in such factors as the planting of improved strains, use of better implements and machinery,

widespread utilization of farm chemicals, and general progress in farm technology. Consequently, the rice crop rating for 1956 should be "normal" rather than "bumper."

Production of wheat and allied grains (barley, wheat, and rye) in 1956 totalled 29,170,000 *Koku*, down 3.9 percent (1,200,000 *Koku*) from the 1955 level. It is also estimated that production of beans, tubers, vegetables, and silk cocoons will be less than in 1955, there being gains only in livestock and fruit.

In consequence, overall farm production in 1956 is expected to be some 6 percent less than in 1955; and the production index, with 1950-52 as the base, will then be about 119.

1. FARM HOUSEHOLD INCOME & EXPENDITURES

	Oct., '54- Sept., '55 (A)	Oct., '55- Sept., '56 (B)	A/B (%)
Agricultural Income (a)	219,351	228,191	104.0
Agricultural Expenditure (b)	74,786	763,91	102.2
Net Agricultural Income (c) (a-b)	144,615	151,797	105.0
Non-Agricultural Income (d)	113,782	111,499	98.0
Farm Household Income (e) (c+d)	258,397	263,296	101.9
Taxes & Levies (f)	27,471	29,844	108.6
Interests Payable on Debts (g)	1,670	1,658	99.3
Household Expenditure (h)	171,412	178,593	104.2
Balance (e-f-g-h)	56,844	53,201	93.5

Source: Compiled by *The Oriental Economist*.

The rice crop in 1955 was a phenomenally good one, yielding 30 percent more than the harvest of 1954. Moreover, because the government purchase price was increased by 2 percent, as against the preceding year, there was a big boost in rice income, by more than 30 percent, despite the drop in price of black-market rice.

But because there was a notable decline in price of other uncontrolled farm produce such as tubers, vegetables, and beans, farm income in 1955 went up only 13 percent as compared to the level of the preceding year. Moreover, since there was a 1.9 percent drop in non-farm income, which until that year had been on a steady uptrend, the end result was that the farm income, on the average, increased only 9 percent over that of 1954.

Since the first half of 1956, the farm income has been showing satisfactory progress. This is mainly because of increase in income from vegetables and livestock, while there again appeared an uptrend in non-farm income. Although, because of adverse weather and delays in deliveries to the government, the official rice income fell off by about 10 percent, as against 1955, this has to some extent been covered by increase in sales of black-market rice (1955 crop). So the real income from rice declined only 1 percent. Income from wheat and allied grains, and tubers continued to drop; but there was an increase in income derived from vegetables and livestock. Most notable was the gain in income from milk, eggs, and meat, at 24 percent more than in the same half of 1955. This was the result of the increase in urban area income and the trend toward higher consumption of animal proteins. Although there was a drop in production of vegetables, there was a shift toward off-season varieties; and since demand was high, income from vegetables increased by 13 percent over the corresponding period of 1955. This also can be taken as an indication of the general growth of national income.

2. FARM HOUSEHOLD CASH EXPENDITURE

	Oct., '54- Sept., '55	Oct., '55- Sept., '56
Household Expenditure	171,412	178,593
Food & Drinks	48,862	48,648
Clothings	31,054	31,293
Light & Fuels	6,683	6,359
Housing	20,797	22,226
Hygiene	11,329	11,619
Education	4,880	5,256
Communications	8,247	8,757
Entertainments	8,681	9,159
Pocket Money	13,086	13,892

Source: Compiled by *The Oriental Economist*.

However, despite this gain in farm earnings, real farm income declined slightly (1 percent) below the level of 1955 because there was a gain of 8 percent in spending on farm supplies such as feed, fertilizer, chemicals, and other necessities.

On the other hand, because non-farm income, which had been on a downtrend since the first half of 1955, began to rise, with a 2 percent gain in the first half of 1956, as against the same period in 1955, the total farm income in the first half of 1956 came

to about the same level as that of the first half of 1955, the record crop year. The main source of non-farm income was labor; and this is a sign of general industrial prosperity permeating the farm areas.

Beginning with the 1955 rice deliveries there was a change in government purchase procedure, and there was newly instituted a system of advance payments. The old method of the government setting delivery quotas and buying up the stipulated quantities was changed to that of having the farmer enter into a contract with the government, on a voluntary basis. At the time of pledging his quota for the year, the farmer receives, as advance payment, ¥2,000 per *Koku* (approximately 20 percent of the total price).

Until this system came to be enforced, the Japanese farmer had no large income, apart from the proceeds from black-market rice, wheat and barley, and vegetables, during the first half of the fiscal year (April through September). Because since 1955 the farmer has been receiving these advance payments on rice, there was, in the first half of 1955, an increase of 50 percent in farm income, as against the first half of 1954. This resulted in an increase, by some 20 percent, in farm household earnings.

3. FARM HOUSEHOLD CASH EXPENDITURE INDICES (AGAINST PREVIOUS TERMS)

	First Half, 1955	Second Half, 1955	First Half, 1956
Household Expenditure	100.6	103.2	105.4
Food & Drinks	102.2	99.2	101.3
Clothings	94.0	99.8	102.4
Light & Fuels	102.8	90.1	103.9
Housing	97.7	105.4	108.7
Hygiene	137.0	99.7	105.5
Communications	102.4	107.5	107.9
Education	110.6	100.9	111.7
Entertainments	104.0	104.8	106.3
Pocket Money	96.3	103.3	110.5

Source: Compiled by *The Oriental Economist*.

However, the bulk of this increase went to debt redemption and to savings, and only a small portion contributed to a spending spree which was dubbed the "prepayment boom." Consequently, on the whole, There was little or no increase in farm household spending. According to farm economy statistics the farm household spending level in the first half of 1955 stood at ¥76,000 per household, which is a slight (0.6 percent) increase over the level of the same period in 1954.

But from the second half of 1955, there was a definite though at first sight manifestation in spending of the increase in earnings. Although the farm household income level in the second half of 1955 stood at 2.9 percent higher than that of the same half of 1954, there was a 3.2 percent gain in spending. But since the rate of gain in spending about matches the rate of gain in income, it can be said that the attitude of the farmer toward spending was extremely conservative.

In the first half of 1956, however, although, as has been explained, the earnings level about matched that of the first half of 1955, spending went up by as much as 5.4 percent (Cf. Table 3). As a result, the farm household surplus, which in the first half of fiscal 1955 averaged ¥18,000, declined in the

first half of fiscal 1956 by some 30 percent to ¥13,000.

This tendency toward spending was not restricted to household expenditures, and there was a notable increase, as against the same period of 1955, in investment in real estate and other property during the first half of 1956. For instance, purchases of land went up 45 per cent; buying of cattle, swine, and other large animals increased 29 percent; while there was 20 percent more buying of large farm implements such as power cultivators. This was a radical change in situation as compared to that obtaining during the first half of 1955, when there was a decline in spending; and in consequence there was a drop of 8 percent in savings, while deposit withdrawals went up 10 percent and borrowings increased 8 percent over the same period of 1955.

The Japanese farmer, who in prewar years had endured extremely low standards of living, has made remarkable progress since the war; and with the bumper harvest of 1955 providing a chance for still further advancement there has also appeared a positive tendency to invest in fixed assets. This is a notable development.

Table 3 shows a comparison, by half-year periods, of the farm household expenditures. A glance at this tabulation suffices to show that the rate of gain of household expenditures has been growing steadily. As early as fiscal 1954, the farm household consumption level was 28 percent higher than prewar, and was considered to have approached the urban standard. It must be duly noted that the rate of gain indicated by the table is based on this substantially improved postwar level.

Looking into the items of expenditure, it is found that the biggest increases are in such basic things as food and beverages, clothing, and light and fuel. There are also some instances of decrease.

Among the expenditures of the first half of fiscal 1955-56, the biggest gain is shown by school tuition expenses. This was due to the upward revision of tuition charges, and does not mean any real gain in consumer spending. Moreover, when this particular increase is disregarded, the gains indicated by other items tend to be small.

As stated before, there was a notable increase in outlays for housing, travel, communication, and entertainment from the second half of 1955, when

actual flow of money from the 1955 crop began to be felt. But the rate of gain has been small, and there was no increase in other "cultural" outlays. The bigger spending on housing, however, is a definite indication of the "bumper crop" boom. The Japanese farmer, when he comes by any substantial amount of money, has the habit of going in for dwelling repairs or expansion. Such activity tends to raise his standing in the community. But the gain in outlays on housing is due partly to the rising cost of building materials.

Since the start of fiscal 1956-57 there has been a general increase in the so-called cultural outlays, particularly for entertainment which had been sluggish in growing. Consequently, the Engel's coefficient of Japanese farm households went down in the first half of 1956 to 51.7 percent, a considerable improvement over the 52.4 percent of the same period in 1955.

Expenditures for food also show increases in spending on meat, milk, and "luxuries," and this is indicative of improvements in diet.

As already explained, the earnings level of the Japanese farmer in the first half of 1956 stood at about the same level as in the preceding year, but his spending increased notably. The second half of 1956 is expected to bring considerable decline in income. This is because of the decline in rice production (down 12 per cent as against 1955).

Consequently, the farm production income for fiscal 1956-57 is estimated at about ¥963,000 million, which will be 12 per cent less than the ¥1,077,100 million of 1955-56.

Nevertheless, because non-farm income continues to be on the upgrade, there is every possibility that the drop in farm household income can be checked to some extent. It is also believed that farm household outlays in the second half of 1956 will be higher by about 5 percent than for the same period of 1955.

At the same time, because among the consumer items there are some, such as sundries and housing, that are indicating firmness, the farm consumption level for fiscal 1956-57 is expected to top the 1955-56 level by from 3 to 4 percent. This will mean that, with the prewar level set at 100 (1934-36 average), the consumer spending index will be at about 135.

Living Conditions

LOOKING back on the eleven years that have elapsed since the war, it is impossible to escape noticing the remarkable improvement that has occurred in living conditions. Children who ravenously devoured steamed sweet potatoes now doubtless disdain such coarse, distasteful food. Housewives, who spent long nights mending socks, probably feel immeasur-

ably relieved now that their menfolk wear nylons that seem to last forever.

True, there are the jobless aimlessly wandering the streets, while many a family has to put up with inadequate dwelling facilities. But despite these gloomy aspects it is a definite fact that living conditions have vastly improved.

This, of course, is the result of the growth of the nation's economy. For example industrial (mining and manufacturing) production now stands at 2.2 times the prewar (1934-46 average) level, and at close on 2.6 times the 1950 average. With this economic development the number of active workers increased as did their income. This trend was most notable after 1956 as a result of the business upturn in 1955, and decline in the number of unemployed and rise in wages have continued steadily. The average employment of all industries during the June-September period of 1956 stood at 3.6 percent higher than at the same time in 1955. Regular scheduled pay also went up 6.7 percent.

With good crops for two years running farm income could not possibly decline. However, as compared to 1955, the year of the record-breaking rice crop, there was little or no gain in 1956 in farm income. However, the farm income level of the April-September half year of 1956 stood at 21 percent above the 1954 level.

Although there occurred this uptrend in income, the course indicated by consumer spending was unexpectedly sound. Although farm consumer spending in the first half of 1956 was considerably higher than in the corresponding period of 1955, the July-August average was only 4.6 percent higher than that of the same two months in 1955. Moreover, the Tokyo consumer spending level generally was only 3.2 percent higher than that of the corresponding period of the preceding year.

1. CONSUMER SPENDING INDICES

(1934-26 average=100)

1st Half, 1955.....	106.8	95.6	122.2
Rate of Gain	(-) 0.2	2.1	(-) 2.2
1st Half, 1956.....	113.2	103.2	128.1
Rate of Gain	6.0	7.1	4.8
July-August, 1956.....	116.2	110.7	124.8
Rate of Gain	3.8	3.2	4.6

Note: "Rate of gain" is percentage gain over same period, preceding year.

Source: Economic Planning Board.

The reason for the slow growth of consumer spending is that the increase in income is, to a large extent, being put into savings. This has become possible because, as is shown in Table 2, living costs have become stabilized and have generally marked time.

2. TOKYO CONSUMER PRICE INDICES

(1951 average=100)

	Oct., 1956 (%)	Vs. Oct., 1955 (%)	Vs July, 1954 (%)
Composite.....	118.4	100.8	99.3
Food	113.2	98.8	93.9
Cereals	121.1	97.2	92.9
Other Foodstuff	109.1	99.7	94.6
Clothing	83.0	101.7	100.2
Light, Heat	139.5	101.5	108.1
Housing.....	145.2	109.7	116.8
Sundries	142.4	102.7	106.2

Source: Economic Planning Board.

Wholesale prices, it is true, followed an uptrend from early 1956 through September; and although there was some leveling off in October and November there still was a considerable rise, with the gains versus the same months of 1955 at 9.4 percent,

But this tendency was due mainly to the sudden jump in steel and other industrial item prices, and the price trend of consumer items has generally been neither up nor down. Whereas iron and steel jumped by nearly 30 percent, and producer items in general went up 13.2 percent, consumer items as a whole rose only 0.2 percent.

Because there was little rise in consumer prices, the cost of living remained stabilized; and although there was definite growth of consumer demands, the growth-pattern was extremely sound.

3. WEEKLY WHOLESALE PRICE INDICES

(June 24, 1950=100)

	Oct., 1956 (%)	Vs. Oct., 1955 (%)	Vs. Feb., 1956 (%)
Composite.....	163.1	109.4	103.7
Food	146.7	98.8	88.1
Textiles.....	92.2	101.4	86.3
Fuel	168.6	105.5	106.5
Metals	312.8	129.6	143.3
Machinery	191.7	109.4	102.7
Building Materials	230.2	111.2	93.8
Chemicals.....	106.6	103.9	98.6
Sundries	135.1	96.9	100.2
Consumer Goods	142.4	100.2	91.5
Producer Items	182.1	113.2	109.9
Other than Food	174.8	112.1	108.7

Source: Economic Planning Board.

Clothing

Generally speaking, the clothing worn daily by the Japanese is manufactured from either imported or domestically produced raw materials. All the cotton and wool used must be purchased from abroad, but chemical fibers (some rayon pulp is imported), silk, and synthetic fibers can be locally produced.

In the case of cotton and wool fabrics, with raw materials imported 100 percent, the effect on the prices we pay, needless to say, depends in no little way on the quantity of import and on world market conditions.

With cotton, it is generally opined that prices will continue soft, mainly because cotton yarn production was high last year and inventories appear to be mounting. Some earlybirds are actually predicting a crumbling of cotton prices about March or April.

As for wool, there was notable growth in import volume in 1954 and 1955, and this trend is expected to continue. On a long-range basis the Government would prefer to develop domestically available textiles, the chemical and synthetic fibers, and reduce the purchasing of raw cotton and wool. But there is a strong demand for wool, while for the present the foreign exchange situation is not bad. Moreover, should we refuse to buy wool from Australia, our exports to that country would not increase.

However, the Australian wool market in late 1956 indicated a level some 20 to 30 percent higher than in the preceding year because of growing world demands and other special circumstances like the Suez problem. Consequently, it appears that the wool fabrics manufacturers are looking forward to a boost in product prices in order to cover this rise

in materials cost.

On the other hand the manufacturers of chemical fibers (rayon, rayon staple, rayon acetate, &c.) and the synthetics (vinylon, nylon, &c.) are all planning production boosts, and according to predictions made by the Chemical Fibers Manufacturers Association output in fiscal 1957-58 (commencing April 1, 1957) will be 24 percent higher than fiscal 1956-57 in rayon, 17 percent higher in rayon staple, and close on 100 percent higher in rayon acetate and other synthetics.

With bigger production being achieved, and with higher efficiency seen in the manufacture of new products, notably the synthetics, costs undoubtedly will go down, while prices too should decline in order to compete with the natural textiles.

The price of textiles, particularly yarns, is closely interrelated. Consequently, unless there is considerable firmness indicated by the cotton and rayon markets which predominate it is unlikely that wool alone will go up inordinately.

The increase in wool consumption was due to the increase in the import quota from the second half of 1955, and to reduction of finished product prices in combination with a strong potential demand. As for the increase in the use of cotton goods, the Cotton Spinners Association itself appears somewhat puzzled, not being quite sure whether this was the result of its "rollback policy," a movement launched to regain territory lost to rayon and the synthetics. The Cotton Spinners Association, with the aid of counterpart funds (United States share) from United States farm surplus sales, launched a publicity campaign in May 1956 with a "cotton week" replete with showings of cotton fabrics and garments, and with the crowning of a cotton queen.

The increase in cotton consumption, however, was not due solely to this campaign. For one thing, the Japanese public having gone in enthusiastically for new textiles based on rayon and the synthetics had found that these new materials were far from perfect, and a reactionary trend toward cotton and wool, to which they have been long accustomed, had set in.

This again is an indication of the fact that living conditions are now a far cry from the times when anything that would serve as covering was used for clothing. Today, there again exists the ability to choose, and each type of textile tends to be used where its characteristics are best revealed.

4. PER CAPITA CONSUMPTION OF TEXTILES FOR CLOTHING

(In pounds)

	1955 consumption	1956 consumption	1957 anti- cipated demand
Cotton Yarn	5.38	5.88	5.90
Silk Yarn	0.28	0.29	0.28
Wool Yarn	1.75	2.21	2.81
Linen Yarn	0.14	0.14	0.14
Other	1.34	1.09	0.98
Subtotal	8.89	9.60	9.58
Rayon Yarn	0.84	0.86	0.98
Rayon Staple Yarn	2.63	2.87	2.96
Rayon Acetate Yarn	0.14	0.15	0.28
Synthetic Yarns	0.36	0.70	0.91
Subtotal	3.96	4.68	5.13
Total	12.85	14.28	14.70

Notes: 1955 consumption, actual 1956 and 1957 figures estimated.

Source: Textiles Bureau, M.I.T.I.

Of the synthetics, nylon and vinylon have entrenched themselves in such fields as hosiery and fishnets; and from 1957 on into 1958 it is expected that production of acrylic yarns, substitutes for wool, will be undertaken on a commercial basis. The synthetic fabrics have made big inroads into the native garment field, and already selling well are nylon or part nylon "yuzen", "han'eri", "obi" and other articles.

With wool garments, the trend recently has been a return to pure wool. Since supply of raw wool will doubtless be plentiful, and because last year's production definitely indicated higher preference for unmixed wool fabrics this tendency will probably continue. Comparing the first nine months of 1956 with the same months of 1955 there were increases of 30 percent and 43 percent respectively in production of pure combed and carded yarns, while in production of mixed yarns there were converse declines respectively of from 1 to 2 percent.

Food

With two good crop years in a row, there has been considerable addition to the feeling of security in connection with food. 1957 has come around with no shifts toward the worse in food prices, and the year promises still better living in so far as food goes.

In the postwar period, the food situation returned to normal much faster than clothing or housing; for in 1951 or 1952 the calory intake of the Japanese people was back to about the prewar standard.

Since then, although there has been little change in the calory intake, there has been considerable improvement in the quality of the food consumed.

In the first place, far more milled food (bread, noodles, &c) is being eaten than before the war. In consequence, consumption of wheat flour now stands at three times prewar, while the ratio of rice to other grains has dropped to 70 percent from the 85 percent of before the war. In other words, of three meals per day one is riceless.

As a result of the bumper rice crop of 1955, there has been a gain in rice consumption, and the ratio again has gone up to near 80 percent. But because the Japanese public has become accustomed to milled grains, pulverized food about makes up for the amount of staple that cannot be produced domestically, and this contributes in no small way towards stabilizing the food situation.

Furthermore, wheat goes a long way toward improving the Japanese diet in so far as it is richer in vitamins and proteins than rice.

Secondly, the trend has been toward higher intake of proteins, particularly animal protein. According to the Economic Planning Board, the protein content of the diet of the average Japanese has increased by more than 20 percent as compared to before the war, and of this, the proteins derived from animal sources has increased by more than 100 percent. In

recent years the gain in animal protein intake has been the result of higher consumption of meat, milk, and dairy products rather than from more fish.

Thirdly, the increase in bread eating has increased consumption of butter and margarine, and because of the increasing popularity of western dishes there has been a notable rise in the consumption of edible oils.

Fourthly, it must be noted that consumption of vegetables and fruit has not as yet returned to the prewar level, mainly because of the supply situation.

Because, as a whole, there has been considerable improvement in diet a general betterment has been seen in the Japanese physique. Taking just height, for example, excluding both boys and girls of about 17 since they generally underwent undernourishment in infancy, Japanese males on the average have gained from 0.5 to 1 centimeter over the prewar standard, while females have gained just about a centimeter.

5. STABILIZED & IMPROVED DIET

1) Engel's Coefficient (% household outgo for food)

1951	54.4
1952	51.2
1953	50.5
1954	50.9
1955	48.7
1955 (up to Sept.).....	49.6
1956 (up to Sept.).....	47.1

2) Household Food Purchases Per Month

Item	Jan.-Sept. 1955	Jan.-Sept. 1956	Comp. (%)
Rice (kg.)	35.3	36.7	104
Pressed Barley (kg.).....	5.8	4.0	69
Noodles (monme)	1390	1057	76
Bread (monme)	1130	872	76
Fresh Fish (monme).....	1501	1457	97
Meat (monme)	422	466	110
Milk (go)	13	14	106
Eggs (pcs.)	30	28	94
Vegetables (monme).....	7511	6046	80
Confectionery (monme)	939	934	100
Fruit (monme)	1719	1644	96
Sake (go).....	4.9	5.1	102
Beer (go).....	1.0	1.3	130
(May-Sept.)			

Note: "monme"=0.0082 Lb.; "go"=0.38 pint.
Source: Compiled by *The Oriental Economist*.

How then is the outlook for 1957? The forecast for staples (grains) is outlined below.

The government had, at the crop gap of 1956 (September 1), about 10 million *Koku* (*Koku*=4.96 bushels) of home-produced rice in storage. This reserve was some 6 million *Koku* more than a year before, and it was enough to carry out nationwide rice rationing at the current rate for about five months. Rice deliveries to the government of the 1956 crop are expected to reach 30 million *Koku* despite the decrease as a result of the poor crop in Hokkaido; so until the crop gap of 1957 the government has a supply of some 40 million *Koku*. If the present practice is continued of furnishing 18-day amounts per month of domestic rice, 30 million *Koku* will be adequate for a year of rationing. Consequently, even if supply of glutinous rice for rice-cake making, and rice to the sake brewers is increased there still should remain at next crop gap at least 6 to 7 million *Koku* of home-grown rice in reserve.

It is expected that black-marketing of rice will drop considerably in 1957 as compared to 1956 because increases in rations are adequately meeting requirements. So the price of black-market rice is expected to continue at a standstill.

Naturally, things would not turn out in this way were the 1957 crop to be unexpectedly poor. But in recent years output has been high due to progress in farm technology, and the "bumper" crop of 1956 should actually be rated "normal." Therefore there should not be too much worry on this score.

Although the price of imported rice is up, consumption is down to less than half it was a year or so ago, and the government is burdened with a supply enough for two years.

Barley and wheat are also in oversupply; and since the dealers are troubled with poor sales the long-awaited downward revision of official prices will doubtless materialize before long.

With grains in such plentiful supply there is discernible a definite softening of prices. As for other foods, it is difficult to make any prediction since weather conditions and other factors are imponderables. But it appears safe to say that there will be considerable gains in both supply and demand of dairy and livestock products such as milk, butter and meat.

With the recent gains in individual income the foodstuff meeting with higher demands are milk and eggs. The production of milk has increased with the increase in milch cows, and output in 1957 is expected to be some 10 percent more than in 1956. Consumption is expected to make a corresponding gain.

Consumption of eggs in 1956 declined slightly as a result of short supply and high prices. But the actual sales amount was higher than that of 1955, which goes to show how strong was the demand. Supply in 1957 is expected to be considerably higher than in 1956, and some reduction in price is anticipated.

Consumption of livestock proteins is increasing in this way, while the demand for fish and other marine products appears to be marking time. This trend is a welcome one from a dietary standpoint, while from the standpoint of farm economics also the high demand for livestock products makes for increased stability with less concern for the weather. This in turn should contribute toward stabilization of the food economy.

Consumption of sake, beer and other "luxuries" is also growing; and while the production of sake will doubtless increase the brewing of beer also will be upped in 1957 with the entry into this field of Takara Shuzo K.K. With four major contenders in beer, competition in sales will be further intensified much to the benefit of those who enjoy a few drinks.

Living conditions, in so far as food is concerned, have improved tremendously, and apart from some deficiency in fat intake, the Japanese diet is fast

approaching the standard set as the immediate target.

Housing

Complaints about the housing shortage are many and varied. "Want to get married, but have no place to live." "Sure, there are dwellings but they cost too much." "We cannot make ends meet unless both of us keep our jobs." "We want to have children, but how can we raise them in such surroundings as these?" "Commuting takes all the energy out of me."

Together with the transportation and traffic problem, housing continues to be a dark aspect of Japanese living. Yet, a review of the situation since the war does reveal some progress toward betterment. At war's end there existed an estimated shortage of some 4.2 million dwelling units; and huts and hovels were built to house those whose dwellings had been destroyed. Subsequently, more permanent dwellings and concrete apartment houses were built, and up to fiscal 1955-56 there were completed some 4.2 million such units.

7. DWELLING CONSTRUCTION ACHIEVEMENTS & PLANS

(In 1,000 units)

	Construction Completed fiscal 1945-46 to 1955-56	Construction fiscal 1956-57 (planned)	Construction fiscal 1957-58 (planned)
Government Housing	1,221	178	191
Public Housing	497	48	59
Housing Finance Corp. ..	308	77	77
New Starts	308	47	57
Extensions	—	30	20
Gov. Housing Corporation	20	23	25
Private Construction	3,019	252	259
Total	4,239	430	450

Note: Extensions during fiscal 1952-53 through 1955-56 involved about 46,000 units.

Source: Ministry of Construction.

Nevertheless, an official survey of housing conditions made in August, 1950 revealed a shortage of 2,710,000 dwelling units. There were 140,000 units, such as warehouses and other construction, unfit for human occupancy. 670,000 units were housing more than one household. 770,000 units were overcrowded or too small (less than 9 mats—one mat covers 18 square feet—with less than 2.5 mats per occupant). And 1,130,000 units needed repairs or were too damaged to be repaired economically.

Furthermore, in cities with more than 200,000 population the mat area per capita was only 3.4, which is considerably worse than the average of 3.8 in 1941 when housing was getting pretty tight. (Average in 1947, 3.2 mats)

Consequently, in addition to those actually short of adequate housing there must be a tremendous number of households suffering great inconveniences. In any case, a shortage of 2.7 million dwelling units means that one out of every 7 households in Japan does not have adequate housing. Broken down by job classifications, 30 percent of these needy households are those of laborers, 35 percent are those of salaried workers, and the remaining 35 percent are those of shopkeepers and farmers.

To counter this housing problem, the Hatoyama

Government drew up a plan, which is now being carried out, for the elimination in ten years of this shortage of dwellings, starting with the construction of 420,000 units in 1955, the first year of the plan. The projected number of units in fiscal 1956-57 is 430,000, while in fiscal 1957-58 the number is upped 20,000 to 450,000 (with the shortage at the start of the fiscal year estimated at about 2.4 million units).

The 1957-58 plan calls for an increase of only 7,000 units in private construction with government and public building contributing some 42 percent to the increment.

The policy in regard to the government sponsored dwellings is set by the Ministry of Construction as follows:

1. The size of the dwelling, considering household size and requirements is at least 14.5 *tsubo* (*tsubo*=36 square feet) on the average. Consequently, the 10 to 11.5 *tsubo* per unit of heretofore will be increased to start with to 13 *tsubo*.

2. For prevention of disasters and for optimum utilization of land 63 percent of the total will be fireproof buildings (48 percent in fiscal 1956-57) while 37 percent will be buildings of more than three stories (30 percent in fiscal 1956-57).

3. Measures will be taken to keep rentals at from 10 to 13 percent of the income of the occupants.

Going into a little more detail about government housing, one category is known as public (Koei) projects undertaken by prefectural and municipal governments. Commencing in fiscal 1952 the initial three-year plan resulted in 69 percent achievement. The second three-year plan is now current. The main problem encountered is the price of land. Although land is cheap in remote and inaccessible areas, making for low rentals, the locations are bad for commuting to urban centers. So the solution has been to build multi-storied apartment structures in convenient locations. Even where land costs are high, the rentals are low because government subsidies are large (one half the cost of construction for class 1 dwellings, and two thirds for class 2). Consequently, competition for occupancy is high, the national average being 5 applicants per unit, and 19 per unit in Tokyo (January). Class 1 is for persons with incomes ranging from ¥16,000 to ¥32,000 per month, while class 2 is for wage-earners receiving less than ¥16,000 per month.

8. GOVERNMENT HOUSING RENTALS

(In yen)

	Fiscal 1956-57	Fiscal 1957-58
Public Housing		
Class 2: Wooden Construction	1,061 (8.0)	1,354 (9.0)
Fireproof Construction	1,673 (8.8)	2,123 (11.0)
Class 1: Wooden Construction	1,803 (10.0)	2,344 (11.0)
Fireproof Construction	2,093 (9.6)	3,334 (13.0)
Government Housing Corporation	4,225 (13.0)	4,658 (14.0)
Housing Finance Corporation	4,082 (13.0)	4,722 (14.5)

Note: Figures in parentheses, floor area in *tsubo*.

Source: Ministry of Construction.

Another organization undertaking government housing projects is the Government Housing Corporation (Nippon Jutaku Kodan), which was established

in July, 1955. The aim of this organization is to bring in private capital and to furnish dwellings to those in the fairly good income brackets. Application for lease is about 2 for every opening, while for purchase construction and buyers about match. Because rentals and down payments are high, the dwellings furnished by this corporation are not as popular as had been originally expected.

The Housing Finance Corporation, which was established in June, 1950, has extended up to March, 1956 some ¥130,000 million in low-interest credits (5.5 percent p.a.) and has succeeded in achieving the results shown in Table 7. This organization will continue to play the central role in government housing projects.

Credit for dwelling construction is extended to private individuals, local governments, and to housing associations. Loans are made available not only for construction of own living facilities but for the building of units for sale or for rent. In the case of a new start up to 75 percent of the standard building costs and land rental can be obtained, while when expansion of existing facilities is planned, up to 60 percent of the cost is made available. In order to insure recovery of loans, some conditions as to minimum salary of individual borrowers are imposed. But even in recent months applicants outnumber by 6 or 7 the available loans. (For extension of existing facilities there is no drawing of lots.)

Some interurban railway companies are utilizing the Housing Finance Corporation credits for construction of dwelling units for sale to customers, and are finding that even with no direct profit from their housing projects they are able to realize about ¥10,000

per annum per household in fares.

Although in this way government housing planning is being advanced in a positive manner, 58 percent of all dwelling construction is still undertaken by private individual with private means.

9. OWNERSHIP OF DWELLINGS

(In percentages)

	1941	1948	1955
Own Homes.....	22.3	46.7	63.3
Rented Homes	75.9	46.5	6.7
Homes Furnished by Employer	1.8	6.8	8.0

Note: Figures for 1941 cover cities of more than 200,000 population; other figures all cities.

Source: Construction White Paper.

Recently privately owned and operated apartment houses and dwellings have begun to appear; but rentals are far higher than those of government or public housing projects. Consequently, single dwellings for rent have dwindled to about one third of the total, and each householder aspires to build and own his own house. The government began in fiscal 1952-53 to give tax relief to prospective home-builders, while from fiscal 1950-51 the financial institutions have been encouraged to extend loans for dwelling construction, and for this purpose a system of government guarantees for such loans is in effect.

However, any location within one hour's commuting distance from downtown Tokyo costs, when purchasing, anything from ¥5,000 to more than ¥10,000 per *tsubo*. Then since standard construction costs come to about ¥50,000 per *tsubo* of floor space, a small house of 12 *tsubo* on a lot of 50 *tsubo* would come to at least ¥900,000 or ¥1 million when all supplementary work is considered. This is far too big an amount for the masses.

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Kaleidoscope

1956's Headliners:—The visit of Prime Minister Ichiro Hatoyama to Moscow and the resultant signing of the Japan-Soviet Joint Declaration ending the state of war between Tokyo and Moscow topped the list of the 10 "Biggest Domestic News of 1956" selected by the editorial staffs of *The Oriental Economist* and *Toyo Keizai Shimpō*, its Japanese counterpart. The list of the "10 Biggest International Events of 1956" was headed by the outbreak of the new troubles in the Middle East due to the nationalization of the Suez Canal by Premier Nasser's Government.

The Biggest Domestic News of 1956:

- 1) The visit of Prime Minister Ichiro Hatoyama to Moscow and the eventual signing of the Joint Declaration terminating the state of war between Japan and the Soviet Union.
- 2) Inauguration of Tanzan Ishibashi as Japan's 13th post-war Prime Minister.
- 3) The unexpectedly speedy tempo of Japan's economic expansion and the sharp swelling of imports.
- 4) Japan's long-awaited admission to the United Nations.
- 5) The rise of new bottlenecks in electric power, transportation and steel.
- 6) The adoption of the "lockout" strategy by management to cope with the coal miners strike.
- 7) A new boom of the stock market due to better corporate showings.
- 8) The inauguration of the Atomic Energy Commission.
- 9) The dispute over the expansion of the U.S. Air Base at Sunakawa.
- 10) The opening of a Japanese sample fair in Communist China for the first time after the war.

The Biggest World News of 1956:

- 1) The new troubles in the Middle East (the nationalization of the Suez Canal and the U.N. Intervention).
- 2) Anti-Soviet uprisings in Hungary and Poland.
- 3) Stalin criticized.
- 4) Unprecedented boom of world economy.
- 5) The start of Britain's first atomic power station at Calder Hall.
- 6) Reelection of President Eisenhower of the U.S.
- 7) The dissolution of the Cominform by Soviet Russia.
- 8) The Communist Party outlawed in West Germany.
- 9) The settlement of the U.S. steel strike for a three-year truce.
- 10) Anticolonial movements in Algeria and Cyprus.

Family Savings:—Some 86% of Japanese households with primary or high school students among family members were making regular monthly savings in 1956, according to a savings census taken in September by the Central Savings Promotion Committee (attached to the Bank of Japan). The ratio compared with 78% in 1953, 81% in 1954 and 88% in 1955. The census, made by 51,000 inquiry cards distributed through primary and high school students, revealed that the number of households economizing monthly expenses for the sole purpose of saving was predominant (about 60% of the total households surveyed) while about 22% reported that they were saving only their extra incomes. As the purposes of savings, the majority reported they saved money to prepare for emergencies such as sudden illnesses (about 31%) or to raise education expenses for children in the future (about 25%).

Other objects include 1) improvement of the living standard (14%), 2) preparations for tax payments (9%), and 3) security against old ages (8%).

Cement Exports:—Japan's cement exports are likely to have a new all-time high in 1956 by totalling 2,100,000 tons, according to the Cement Manufacturers' Association. The Association reported that the exports during the first ten months of this year amounted to 1,747,143 tons, well eclipsing the all-year total of 1955 by more than 500,000 tons and nearly double the average of the annual exports in the preceding three years, 1952 to 54. With the November shipments estimated at around 180,000 tons and December exports expected to hold almost the same level, the 1956 total will well hit the 2,100,000-ton mark, it revealed. The Association further said that cement exports are certain to increase in 1957 as overseas purchases are bound to hike due to the Suez Canal blockade and the elevation of economic standards in Southeast Asian countries. The waning competitive strength of Western European countries under the impact of rising freight rates and the advent of Communist China as a new market for cement are other reasons given by the Association as additional stimulants to the further advance of Japanese cement exports next year. Special procurement purchases from South Korea and Okinawa will also remain brisk, it was added.

Gainfully Employed:—The rising number of gainfully employed in manufacturing industries and wholesaling-retailing and the steady recession of those in agriculture were the two noteworthy features of the national census taken as of October 1, 1955, of which concrete results were recently announced. Of the total number of gainfully employed at 39,240,000, those engaged in agriculture stood at 14,910,000, a marked decrease of 7.4% from the corresponding figure by the last census taken in 1950, while those engaged in manufacturing gained 22.5% to 6,970,000 and in wholesale and retail trading also rose 36.6% to 6,420,000. Those engaged in service professions advanced 43.3% to 4,370,000. The agricultural population by the present census was still far ahead of 13,700,000 of prewar but its percentage in the total number of gainfully employed hit a new low at 38.0%. By age group, the total population of 89,280,000 was classified into 29,990,000 of those under 15 years, 52,070,000 of productive ages from 15 to 59 and 7,210,000 of ages over 60 years. Due to the declining birth rate, the ratio of the younger group under 15 years was noted to hit the lowest since the 1920 census while other two groups reached new highs.

Life Insurance:—New contracts concluded by 20 major life insurance companies during the first half of fiscal 1956 (April to September) totalled ¥413,000,000, ¥413,000,000, ¥413,000, million to the September-end total of 2,542,500 million, according to the Life Insurance Association. As compared with the corresponding half in 1955, the increase of new contracts reached 19.3% (worth ¥66,700 million). The net increase of contracts (new contracts minus cancellations and invalidations) amounted to ¥299,500 million, up 41.4% over the like result in the corresponding half in 1955. A sound expansion of national income due to the continued business boom is considered a major stimulant. The premium revenue during the half-year under review also rose about 30% to ¥48,000 million from ¥38,200 million a year ago.

Export Industries

THROUGHOUT 1956, Japanese industry enjoyed better business on a sounder basis than in the past years. This can be seen, among other things, in the marked improvement of business results in the first half (from April to September) of fiscal 1956: i.e. the total profits of leading 457 corporations registered a visible gain of 50% from the preceding six-month term.

Such betterment of business conditions as a whole, be it emphasized, clearly indicates that the deflationist policy had been carried out with good success since the fall of 1953. As industrial funds were put under rigid restrictions, business corporations were forced to take every possible step for rationalization. As the result, there indeed took place a lot of failures and less-than-cost sales offers, but rationalization efforts began to bear fruit from the latter half of 1954 through 1955. Especially in the latter year, production costs were cut off substantially in many industries so that export trade marked up a tangible expansion. Then, the increased overseas sales led to the relaxation of the financing restrictions, which in its turn exercised encouraging influence on industry. It means not only that industrial funds were provided more amply than ever, but also that the interest rates rapidly tapered off.

Despite such business improvement, those corporations which had experienced the bitter effects of the deflationist policy carefully refrained from active inventory buying and equipment investments. But the expansion of export trade was naturally followed by the steady elevation of the production standard, which gradually resulted in the shortage of materials stock. Thus, it was that imports, particularly of key materials, began to curve up early in 1956.

The higher production standard brought about another aftereffect, namely lack of equipment capacity. Equipment investments, therefore, have been getting more active than ever since the middle of 1956. In one word, the prosperity since 1956 has come mostly from the increased capital investments. It must be cited here that, unlike at the time of the Korean war boomlet, such active investments were made not recklessly but on carefully mapped out plans and this with internal funds amassed by business corporations themselves. It can be concluded, after all, that Japanese economy has started a sounder expansion than in the early postwar years.

Shipbuilding

As export commodities, ships have been one of the postwar new faces. Not until the end of World War II, when naval needs for warcraft came to a sudden stop, did Japanese shipbuilders start concentrating their efforts on export trade. Catering not so much to domestic shipowners as to foreign clients,

they now are playing a key role for Japan's acquisition of foreign funds, vying with steel makers, ship operators and textile manufacturers.

It is since the latter half of 1954 that the shipbuilding industry has firmly established itself as an export business. Before that time, overseas ship sales were relatively negligible except 1951 or the year of the Korean war boomlet. Responsible for this were the following circumstances: i.e. 1) there was almost no room left for Japanese builders to make any inroad into the world market, which had long been monopolized by British and North European interests, and 2) their technique remained stagnant due to the wartime severance of contact with foreign circles, and 3) not only did they enjoy little credit with foreign customers but also their production costs were far higher than those of their European competitors.

From 1950 through 1955, Japanese shipbuilders succeeded in consolidating their business as one of the most flourishing export lines in Japan. They invested a huge amount of ¥22 billion for rationalization and modernization of their shipyards and allied equipment, especially for improvement of welding technique, for they were well aware that the cultivation of competitive power on the world market by means of rationalization was the only alternative for postwar reconstruction and survival. European builders, on the other hand, did fail to direct such efforts toward rationalization in the meantime.

Fortunately, the successful completion of such rationalization efforts was well timed with the start in 1955 of the worldwide shipping boom. Hence the mushrooming prosperity of the shipbuilding industry. As shown in Table 1, purchase offers from abroad got brisk in 1954, and export contracts authorized in fiscal 1955 involved as much as 2,230,000 gross tons, or nearly 10 times the new business booked at the time of the Korean war boom of 1951. This was ascribed mainly to the fact that because European shipbuilders held an enormous backlog of unfilled orders, none other than Japanese shipyards could accept new orders for short-term delivery. From the fall of 1954 through 1955, however, Japanese builders could hardly stand on an equal footing with European rivals in trade terms, if not in volume of new business. Not only were they often forced to accept far cheaper prices than European interests but also they had to sign contracts at fixed prices on conditions that payments might be made by installments for several years.

But conditions have been improving substantially since the turn of 1956. As indications are increasing that the shipping boom will come to stay, ship operators at home and abroad now appear determined to push their building programs more earnestly than

ever before. With their backlog piling up, on the other hand, Japanese shipbuilders now find themselves in a more favorable position than before in dealings with shipowners. Moreover, material costs are rising markedly. Thus, ship prices are climbing up, and other trade terms are also improving to the standard European builders are usually enjoying. Take for instance large type tankers exceeding 38,000 DWT: 1) the ship price has risen to \$250 or so per ton from \$120 (inclusive of the 15% benefit from the sugar link system) in the October-December 1954 period, and 2) the escalator clause, or the long-cherished desire of local builders, has come to be inserted into recent contracts. Furthermore, few contracts now are concluded on the installment plan, and payments are to be made on cash.

Despite such betterment of trade terms plus the prolongation of delivery, new business from April through November, 1956, amounted to 1,440,000 gross tons, valued at \$422 million. At this rate, the total up to March, 1957, certainly will reach the 1955 mark. It can safely be said that, her building technique being recognized abroad as first class one, Japan has built up her solid place as ship exporters on the world market.

Thus, there is no fear that ship exports will get dull for some time to come. Particularly notable in this respect is the fact that Japanese shipbuilders have pushed preparations for construction of super-tankers far more effectively than European interests. They will thus be able to monopolize the tanker boom in the world. In 1957, construction work will start for super-tankers exceeding 60,000 DWT.

While leading builders are enjoying such an export boom, minor interests are expanding their shipyards so that they may secure orders for small craft, from 500 to 4,000 gross tons, from the Soviet Union and Southeast Asia.

1. AUTHORIZED SHIP EXPORT CONTRACTS

Fiscal Year	No. of Ships	Gross Tonnage (1,000 GT)	Contract Value (\$1,000,000)
1948	16	6	17
1949	13	4	9
1950	32	5	12
1951	233	23	71
1952	21	4	15
1953	12	17	40
1954	52	58	127
1955	150	223	540
1956 Apr.-Nov.	78	144	422

Source: The Ministry of Transportation.

Electric Machinery & Equipment

FROM January through June, 1956, exports of electric machinery and equipment amounted to \$21,197,000 compared with \$16,652,000 in the preceding half-year term and \$14,245,000 a year ago. This gain of the total value was ascribed to the increased shipments of insulated wires and wireless equipment, which covered the drops in heavy machinery (generators, motors, transformers, etc.) and precision equipment

(instruments, self-controls, signals, etc.). Electric bulbs, one of the major items, remained almost on the same level.


Responsible for the \$1,000,000 increase in wireless equipment exports were brisker sales of portable midget radio-sets and parts thereof to the United States, Latin America and to Southeast Asia. It is also to be noted that 114,000 electric fans, valued at \$1,690,000 which represented about 30% of the total production, were shipped abroad in this period, registering a remarkable gain, and that 7,200 washing machines, valued at \$660,000, were sold to foreign clients though this kind of electric equipment was one of the postwar new faces.

In export trade, electric machinery and equipment as a whole have been rather small compared with other types of machinery, particularly ships and rolling stock. In the first half of 1956, they represented less than 10% of the total as may be noted in Table 2. Especially negligible has been the share of electric machinery in the field of "plant" exports, upon which Japan has been concentrating promotional efforts in the past few years. In the January-June 1956 period, for instance, certified export contracts for plants and equipment totalled ¥476,754,000, of which ships comprised as much as \$340,310,000 and railway rolling stock \$23,572,000, these two combined representing 96%. In contrast, electric machinery and tele-communication equipment accounted for only \$1,489,000 and \$134,000, respectively, compared with textile machinery at \$4,533,000 and motor vehicles at \$2,959,000. All this is attributed to the fact that sales of generators and allied equipment have been stagnant.

Output, on the other hand, has been rising rapidly since January, 1956. The Ministry of International Trade & Industry's production index for electric machinery and equipment (1950 as 100) climbed up from 200.3 in January to 243.4 in February, 295.2 in March, 277.8 in April, 307.9 in May and to 341.8 in June. This steep upcurve was far above the upturn from 192.3 to 290.9 of the composite index for all machines and appliances.

This production boom was stimulated by active orders from such key industries as electric power, steel making, chemical, machinery, shipbuilding and textile, where capital investments got brisk. In the case of heavy type machinery, transmission equipment marked up a considerable gain while business was rather dull for generators. Wired equipment (telephones, telegraphs, etc.) registered a very slight increase. Notable uppings, however, were witnessed in such consumer items as fans, washing machines, refrigerators, radio-sets and TV receivers.

Trade outlook varies widely according to types of electric machinery. As for generators, motors, and transformers; Japanese makers may be unable to compete favorably with foreign interests in terms of selling prices. Motors have thus far been shipped abroad along with the shipments of textile and other



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industrial machines. Whether or not Japan-made motors can be sold abroad as an independent item still remains to be seen. It must be cited here, however, that leading motor makers now are striving in earnest for mass production and cost cutting in order to meet the rising demand at home.

Wireless equipment is no doubt one of the promising items. As mentioned above, portable radio-sets have been enjoying brisk sales at home and abroad. This is due to the pickup of so-called personal demand and to the industrial manufacture of miniature tubes and transistors.

Electric fans have so far been shipped mainly to the Southeast Asian countries. Recently, however, inquiries have been coming actively from the Middle East and the Near East. Overseas sales will further increase for washing machines as a new face.

Electric bulbs have been the biggest export item. Decoration bulbs are usually sold in large quantity to the United States. Foreign clients have often complained about the quality (color coating in particular) of decoration bulbs, but electrostatic coating has been introduced so that better quality and bigger sales may well be anticipated.

2. EXPORTS OF ELECTRIC MACHINERY & EQUIPMENT

(In \$1,000,000)

	1955		Jan.-June 1956
	Jan.-June	July-Dec.	
Generators, Motors,			
Transformers, Etc.	2,881	3,198	2,631
Electric Bulbs	2,240	2,208	2,295
Wired Communication Equipment	227	398	331
Wireless Communication			
Equipment	1,076	1,838	2,926
Instruments, Self-controls,			
Signals, Etc.	1,849	2,413	1,694
Insulated Wires.....	1,295	1,827	3,186
Total of Electric			
Machines & Equipment	14,245	16,652	21,197
Grand Total of All Sorts of			
Machinery & Equipment....	118,794	155,036	222,847

Source: The Ministry of International Trade & Industry.

Railway Rolling Stock

THE railway rolling stock industry now is in a whirl of business activity. Demand is getting brisk at home and abroad. Both purchase offers and production are registering unprecedentedly big gains. Such prosperity, started in 1955, will remain unabated for some time to come.

As listed in Table 3, rolling stock makers orders received in fiscal 1955 amounted to ¥22,142 million, or up 18% from the previous year. Reasons are: 1) the remarkably increased orders from local private railroad companies, and 2) the more-than-twofold gain of export contracts. Of the total orders booked, ¥9,829 million came from the National Railways Corporation, ¥4,291 million from private railroads and ¥7,960 million from foreign clients. Compared with the preceding year, orders from the National Railways dropped by 26%, but this decrease was more than fully covered by the 50%

and 20% increases, respectively, of the orders from private railroads and overseas clients.

Account being taken only of orders for new rolling stock, the 1955 total was nearly ¥20,000 million, of which the National Railways comprised ¥8,330 million or 42%, private railroads ¥3,648 million or 18%, and overseas customers ¥7,950 million or 40%. It deserves special mention that the percentage came at almost the same level for the National Railways and for overseas clients just as was the case before the war. Responsible for such marked recovery of export trade were 1) the shrinkage of the export surplus in the European countries resulting from the improvement of business conditions there, a) the subsequent growth of Japan's sales to India, Argentina, etc., and 3) the picking-up of demand for rolling stock due to the progress of development programs in the South-east Asian countries.

Classified by destination, production in 1955 turned down for both the National Railways and for private railroads, but visibly climbed up for export trade. Thus, of the total output, the National Railways accounted for 59%, private railroads 15%, and overseas clientele 27%.

The National Railways Corporation is to carry out its five-year expansion plan as from fiscal 1957. In this construction program, the rolling stock expenditure is estimated at ¥192.3 billion, of which about ¥38 billion is allotted for the first year of 1957. This budget is twice as much as the usual rolling stock expenditure of ¥16-17 billion per year. Should this plan be implemented on schedule, therefore, makers might secure orders twice as big as in the past from the National Railways. And all of them could operate their plants at full capacity.

Purchases by local private railroads, too, are likely to continue rising. But export outlook is not too bright. In the first place, local manufacturers will lose much of their competitive power on the world market due to the price rise of rolled steel and other materials. As they are all pressed with

3. ORDERS BOOKED FOR AND PRODUCTION OF RAILWAY ROLLING STOCK

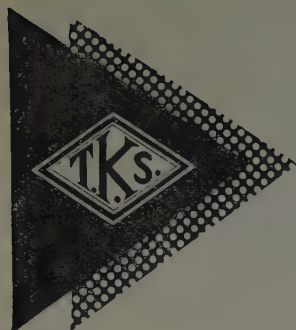
(In \$1,000,000)

	Orders Booked	Production
National Railways		
1954.....	13,313	13,027
1955.....	9,829	12,280
	(8,330)	(10,576)
Private Railroads		
1954.....	2,931	3,525
1955.....	4,291	3,104
	(3,648)	(2,414)
Exports		
1954.....	2,584	3,851
1955.....	7,960	5,505
	(7,960)	(5,505)
Total		
1954 :	18,829	20,403
1955.....	22,142	20,889
	(19,938)	(18,496)

Note: Figures in brackets are only for new rolling stock (excluding repairs).

Source: The Ministry of Transportation.

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brisk orders from domestic customers, they won't spare efforts for export promotion if and when trade conditions turn for the worse. It is also noteworthy that India, the best client for Japan-made rolling stock, is aiming at self-sufficiency in railway equipment as part of her second five-year plan, and that other countries in Southeast Asia will follow suit sooner or later. Naturally, the Ministry of International Trade & Industry estimates that exports will shrink to ¥8.3 billion in fiscal 1957 from ¥9.5 billion in the current fiscal year.

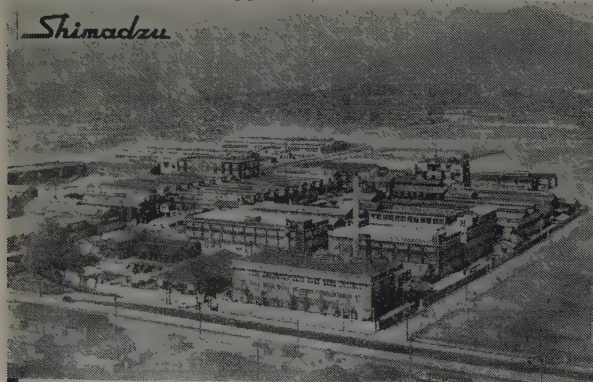
To cope with the situation, a section of business circles concerned urge, utmost efforts must needs be directed not only toward bigger exports of assembled rolling stock but also toward technical co-operation with foreign interests by exporting assembling plants, sending engineers or offering technical aid. In fact, business talks are reportedly under way for construction of assembling plants in Argentina and Chile, and a plan to send technicians to India is likely to materialize before long.

Electric Meters & Instruments

THOUGH not a single industrial instrument has thus far been sold abroad, integrating watthour meters, measuring instruments and indicating instruments have been exported in some quantities to the South-east Asian countries. Because neither power development projects nor manufacturing industries have yet developed substantially in these countries, there is no hope that Japan will be able to sell a large amount of these instruments.

In the early postwar years, utmost efforts were directed toward bigger output of watthour meters as part of the overall program for reconstruction and expansion of the power industry. In 1950, production was scheduled at 1,500,000 units, and actual output increased to 1,600,000 units from 1953's 620,000 units. Gaining year after year, 1953's figure climbed up to 1,830,000 units, valued at ¥3,760 million, or the postwar high record. But the production curve soon turned down, and annual output now stands at about 1,400,000 or 1,500,000 units, valued at nearly ¥3,000 million.

Their combined capacity estimated at 2,300,000 units a year, seven leading makers of watthour meters account for almost 100% of the total production. Business conditions are not too encouraging as it is hardly possible to cultivate new outlets except power firms at home. Thus, leading makers are striving in earnest for promotion of overseas sales. For instance, Tokyo Shibaura Electric and Fuji Electric Mfg. have jointly sold a manufacturing plant to India and export every year parts and accessories estimated at a total amount of 600,000 watt-hour meters. In the past three years, 100,000 meters have been sold to Taiwan. But it is not at all a promising customer, for the market there appears to have already been saturated and, still worse, a



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big risk is always involved due to payment difficulties.

For indicating and measuring instruments, demand is rising rapidly owing to the increase of power supply and the subsequent installation of electric machinery and equipment. As for indicating instruments, production went up from 1948's 332,000 units, valued at ¥290,000,000, to 450,000 units (¥481 million) in 1951 and to 524,000 units (¥1,240 million) in 1954. Output value now is estimated at about ¥2,000 million.

In 1950, 42,000 measuring instruments (valued at ¥166 million) were fabricated, and the figure rose to 59,000 units (¥555 million) in 1952 and to 55,000 units (¥721 million) in 1954. Current output stands at nearly ¥2,000 million a year or the same level as indicating instruments.

For both measuring and indicating instruments, there were little overseas sales before the war, but postwar exports started in 1950 with Southeast Asia and South America as destinations. At present, overseas shipments comprise less than 10% of the total turnout in terms of value.

Prewar production of industrial instruments was negligible, and high-grade instruments were bought from abroad in most cases, for domestic needs were relatively small. After the war, however, conditions changed completely. Around 1949-50, various instruments were imported from the United States and used widely for heat control, giving a great stimulus to the domestic fabrication of such instruments. Local makers have since been making remarkable progress in technique as instruments have been introduced increasingly in such key industries as steel making and chemical processing. With the wider application of automation, production has been curving up by leaps and bounds; from 16,000 units (¥237 million) in 1950 to 19,000 units (¥1,230 million) in 1952, 37,000 units (¥2,654 million) in 1954, and to the yearly output of ¥4,000 million at present. Despite such production boost at home, a good deal cannot be anticipated of overseas sales.

Thus, it is seen that annual production now stands at about ¥4,000 million for indicating and measuring instruments combined, ¥4,000 million for industrial instruments and at ¥3,000 million for integrating watt-hour meters, or a grand total of ¥11,000 million, and that most of these instruments are for domestic needs. If the Chinese market is re-opened, however, a good deal of instruments could be sold. Some interests concerned roughly estimate that in such a case it would be necessary to treble production, particularly of indicating and measuring instruments. It is claimed that Japan-made instruments can compete with foreign makes in both quality and price as may be noted from the recent purchase offers from Czechoslovakia and East Germany.

Sewing Machines

SINCE the end of World War II, sewing machine exports have been increasing substantially year

after year. Among machinery and appliances, sewing machines now are the second largest export item next only to ships, which comprised nearly one half of the total. Textile machines have long been occupying the second place, but with overseas sales declining visibly, they are replaced by sewing machines. Outgoing shipments growing in the past few years, railway rolling stock is another important item, but it is still falling behind sewing machines.

From January through June, 1956, sewing machine exports amounted to \$19,462,000. Though smaller than \$20,847,000 shipped in the preceding half-year term, the figure was above \$17,870,000 in the like period of 1955. The shrinkage from six months ago was ascribed to the fact that sales to the United States, which had been rising year after year up to 1955, suffered a sharp drop because an Export Adjustment Association had finally been brought into existence with a view to checking the unnecessary rivalry among makers and the subsequent less-than-cost dumping operations. It is to be noted, on the other hand, that shipments to Southeast Asia and South America registered a tangibel increase, which however could not cover the contraction of sales to the United States.

In terms of volume, January-June, 1956 exports totalled 737,000 units, or up 37,000 units from the like period of 1955 but off 98,000 units from the preceding six month term. Accordingly, production slightly turned off as may be noted in Table 4. It can be seen that output steadily curved up from 1951 through 1955, but that monthly turnout in 1956 remained stagnant from 100,000 to 150,000 units.

4. HOUSEHOLD USE SEWING MACHINE PRODUCTION

Output by Year (1,000 units)		1956 Output by Month (Unit)	
1950.....	493	January	103,831
1951.....	1,030	February	139,079
1952.....	1,260	March	149,187
1953.....	1,318	April	151,754
1954.....	1,372	May	153,474
1955.....	1,696	June	145,033
		July	138,112
		August	135,919
		September	152,275

Source: The Ministry of International Trade & Industry.

Along with the postwar development of the sewing machine industry, the number of enterprises in this field increased five times from 40 to about 200 during 1949-54. This was caused mainly by the rapid expansion of overseas sales. In this respect, it is worth mentioning that minor interests are fabricating or assembling cheap-priced sewing machines, mostly heads alone, for export purpose, while on the other hand, leading manufacturers are not much interested in export trade and specialize in domestic sales.

The above-mentioned numerical increase of plants led to the deconcentration of sewing machine production. In 1949, 10 big companies accounted for 72.5% of the total output, but their share shrank to 52.7% in 1954 with 47.3% for all other interests,

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according to the Fair Trade Commission. The numerical gain of plants, especially of minor ones, means the intensification of competition. In spite of the general tendency toward deconcentration, however, the biggest firm, or Japan Sewing Machine, has been bolstering its position in terms of production volume.

Sewing machine exports now are, so to speak, under autonomous control for prevention of unnecessary rivalry. The check price (or minimum price) has long been fixed by the Sewing Machine Exporters Association. Recently it has been decided that even the volume of shipments shall be controlled by the Export Adjustment Association.

Responsible for the rapid growth of postwar exports has been none other than the cheap prices of Japan-made sewing machines. On the American market, Japan-made machines are sold at the price of \$150 per unit, or about one half the prices of U.S. makes. For such competitive power of Japan-made sewing machines (for household use), there are two reasons: 1) they are mass-produced at the yearly rate of 1,700,000-1,800,000 units (except those for business use), and 2) the wage standard is lower than in the Western countries. The 1954 attempt of Singer Sewing Machine Co. to co-operate with a Japanese firm in this field was interpreted as being designed to cut off costs by starting local production through cheap labor.

Cameras

CAMERA exports have been particularly active in contrast to the stagnancy in the past years. In 1955, 234,471 cameras, or twice as many as 1953's exports, were shipped abroad. Since the turn of 1956, business has been getting brisker with January-June shipments amounting to 142,365 units. Such

5. CAMERA OUTPUT & EXPORTS

	(In units)		B/A, %
	Output (A)	Exports (B)	
1953.....	694,653	116,387	16.7
1954.....	981,089	153,508	15.6
1955.....	1,064,875	234,471	22.0
1956: Jan.-June	569,191	142,365	25.0

Source: The Ministry of International Trade & Industry.

6. 1955 CAMERA EXPORTS BY TYPE

(In percentage)		
Type	Value	Volume
35 mm, focal plane shutter	42	14
35 mm, lens shutter	24	43
Two-lens reflex	17	27
Interchangeable lenses	14	10

Source: The Japan Camera Makers Association.

7. 1955 CAMERA EXPORTS BY DESTINATION

(In percentage)		
	Value	Volume
JCE	44	46
United States	21	26
U.S. Security Forces in Japan	8	5
Canada	3	3
Travellers.....	6	3

Source: The Japan Camera Makers Association.

briskness of trade has resulted from 1) the increase of local production and the subsequent growth of export surplus, and 2) the earnest campaigns of makers for cultivation of foreign outlets.

Of the total exports in 1955, 35-mm lens shutter cameras comprised as much as 43%, two-lens reflex cameras the second largest portion of 27%, and 35-mm focal plane shutter cameras 14% in terms of volume. In value, the last named first class cameras accounted for the biggest chunk of the total foreign funds obtained by camera sales as listed in Table 2. They are Nippon Kogaku's Nikon brand and Canon Camera's Canon brand, enjoying a good reputation as first class in quality and performance on the world market.

Outlets for Japan-made cameras are scattered all over the world. But the United States is by far the best client. JCE (Japan Central Exchange) is buying cameras for the American forces stationed in Japan and other countries. Including those bought privately by American soldiers, sales to the United States are estimated at nearly 80% of the total.

Makers, therefore, are taking all sorts of measures for bigger sales to the United States. The Japan Camera Makers Association in August, 1955, established a service centre in New York with the aid of the Ministry of International Trade and Industry. Nippon Kogaku, Canon Camera and Konishiroku Photo Industry set up their branches there. Others established their agents or sent their representatives.

Japan-made first class 35-mm cameras are far cheaper than foreign makes: e.g. Canon VT, F1.2 priced at \$450, Canon VT, F1.8 at \$325, and Nikon S2, F1.4 at \$345 compared with Leica M3, F2 at \$447. They can favorably compete with any foreign product everywhere in the world. Medium and low quality cameras made in Japan have not been selling very well, for they cannot vie with German counterparts mass-produced at lower costs. But sales of medium quality cameras have begun to pick up because qualitative improvement and cost cutting have been brought about as the result of the intensifying rivalry at home and the modernization of plants and equipment. For instance, 1955 shipments were up 61% in both volume and value for 35-mm lens shutter cameras and up 74% in value and 92% in value for two-lens reflex cameras. The fact remains, however, that their costs are still higher than those of German cameras of medium quality, and that the margin is negligible and more publicity expenses are required. Nothing is more urgent for Japanese makers than to reduce their costs more than ever through mass production, on the one hand, and, on the other, to cut off as much as possible their publicity expenses.

It deserves special mention that China has been gaining in importance as a camera customer. In 1955, 200 35-mm cameras and 1,000 two-lens reflex cameras were sold. In the summer of 1956, a \$20-

million contract was signed for 200 Canon first class cameras.

Rayon Goods

THE rayon industry has been enjoying unprecedented prosperity since 1955 due mainly to the briskness of export trade.

Rayon Filament—Monthly output in September, 1956, climbed up to 19,455,000 lbs., or a gain of 20.3% from 16,172,000 lbs. a year ago. Of this total viscose rayon yarn comprised 15,369,000 lbs. (79%), high-tenacity rayon 2,001,000 lbs. (10%), and acetate rayon yarn 387,000 lbs. (2%).

Still on the initial stage, acetate rayon is produced by only three firms—Dai Nippon Celluloid, Teikoku Rayon and Shin Nippon Chisso Hiryo. Ryoko Acetate will start production before long. Cuproammonia rayon is monopolized by Asahi Chemical Industry under the trade name of Benberg, and output in September, 1956, registered a marked increase of 41% over a year ago. Stimulated by the flourish of the auto tire industry, high-tenacity rayon production has been on the steady upcurve. Viscose rayon yarn, or by far the biggest item, is made by six firms, whose turnout in September, 1956, was up 16.4% from the like month of 1955.

Such production boost has resulted mainly from the brisking-up of demand at home and abroad and the subsequent upping of market quotations. As for 120-denier viscose rayon, prices in 1955 averaged ¥192 (¢53.1) per lb., but the average price has been ¥250-270 (¢70-75) since the middle of 1956.

Responsible for such prosperity of the rayon industry is none other than the bustling growth of export trade. As shown in Table 8 overseas sales have been accounting for 40% or so of the total output. Of the total exports, rayon cloth has been representing over 80% in terms of yarn, and rayon yarn less than 20%. Major destinations are: China, India, Korea, Hongkong, Pakistan, Burma and Indonesia.

8. RAYON GOODS OUTPUT & EXPORTS

(Converted into yarn in 1,000 lbs.)

	Output (A)	Exports (B)	B/A, %
1952 total	142,191	50,856	35.8
1953 total	163,259	57,349	35.1
1954 total	184,852	63,662	34.2
1955 total	195,352	78,495	40.2
1955: September	16,172	6,624	41.0
October	16,712	6,410	38.4
November	16,639	6,147	36.9
December	17,333	12,411	71.6
1956: January	16,631	6,086	36.6
February	16,813	7,873	46.8
March	18,139	9,110	50.2
April	17,124	8,170	47.7
May	18,588	8,749	47.1
June	18,460	8,186	44.3
July	19,426	7,855	40.4
August	20,107	8,224	40.9

Source: Compiled by *The Oriental Economist*.

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Export outlook is encouragingly brisker. Japan can favorably compete with such Western rayon producers as Italy, England, France, West Germany and Switzerland. Since the outburst of the Suez dispute, purchase offers from Southeast Asia have been getting more active than ever. As diplomatic relations have formally been restored, a good deal can be expected of shipments to the Soviet Union as well as China. In competing with the Western rivals, it will be necessary for Japanese interests to strive for greater sales not so much of rayon cloth as of rayon yarn.

Rayon Staple—The rate of production increase has been bigger than for rayon filament. September, 1956 output was 61,247,000 lbs., or up 31.6% from 46,543,000 lbs. a year ago. Of this total, viscose rayon comprised 60,588,000 lbs. and acetate rayon 659,000 lbs. In the same period, production rose by 25.1% from 27,719,000 to 34,690,000 lbs. for spun rayon yarn, and by 15.9% from 79,959,000 to 92,657,000 sq. yds. for spun rayon cloth.

Exports also curved up rapidly from 1954 through 1955. Since the latter year, more than 30% of the total turnout has been shipped abroad as listed in Table 9. Of the total overseas sales, spun rayon cloth has been representing over 80% in terms of staple, spun rayon yarn 16% or so, and rayon staple not more than 3%. Just as in the case of rayon filament, nothing is more essential than to concentrate efforts on bigger outgoings of rayon staple.

As for spun rayon fabrics, destinations are scattered all over the world, particularly in Southeast Asia, the Middle East, the Near East, West Europe and Africa. Spun rayon yarn is bound mostly for Indonesia, Hongkong, Pakistan, India and Korea. Rayon staple is bought actively by Hongkong, Taiwan, the United States and Korea.

Such briskness of production and export trade is ascribed, among others, to the following factors: 1) Japan-made spun rayon goods are made at far lower costs than Western products, so they have overwhelming competitive power, and 2) their prices are substantially cheaper than those of other textiles thanks to qualitative improvement.

9. SPUN RAYON GOODS OUTPUT & EXPORTS
(Converted into staple in 1,000 lbs.)

	Output (A)	Exports (B)	B/A, %
1952 total.....	262,188	48,703	18.6
1953 total.....	357,533	63,931	17.9
1954 total.....	448,065	121,496	27.1
1955 total.....	536,748	194,083	36.2
1955: September.....	46,544	17,454	37.5
October.....	45,717	18,854	38.9
November.....	44,071	16,417	37.3
December.....	49,597	22,043	44.4
1956: January.....	49,138	12,631	25.7
February.....	50,689	15,234	30.1
March.....	52,703	19,239	36.5
April.....	53,921	19,396	36.0
May.....	55,335	21,039	38.0
June.....	56,637	19,841	35.0
July.....	59,095	20,343	34.3
August.....	59,799	18,373	30.7

Source: Compiled by *The Oriental Economist*.

Chemical Fertilizers

IN Asia, Japan is the only fertilizer producer and exporter, whereas other countries are all fertilizer importers with their output still on a very low level. So she is much more favorably located than the European and American competitors in fertilizer trade. It is true, her production costs have been somewhat higher than those of her rivals for fertilizers as well as for other heavy chemicals, but this handicap has been offset by the advantageous difference between freightage from her ports and that from Western sources, particularly as the shipping market has been getting firm. Thus, fertilizer exports have been expanding steadily, if not conspicuously, in the past few years.

In the 1955 fertilizer year, ending with July, 1956, fertilizer exports increased to 862,000 mt., valued at ¥48,078,000, compared with the preceding year's 849,000 mt. (¥43,673,000) as shown in Table 10. Of this total, ammonium sulphate, or by far the biggest item, comprised 443,000 mt. or a slight drop from a year ago. This shrinkage was caused by the brisking-up of local demand and the subsequent contraction of export surplus. Details of ammonium sulphate exports are listed by destination in Table 11. Purchase offers were so brisk that local producers could hardly accept them all. The export price, therefore, rose to \$60.61 FOB in the 1956 fertilizer year from \$59.90 a year ago.

10. FERTILIZER EXPORTS

(In metric tons for quantity and \$1,000 for value)

	1954*		1955*	
	Quantity	Value	Quantity	Value
Ammonium Sulphate	479,013	28,895	442,631	26,836
Urea	15,793	2,181	68,143	8,485
Ammonium Nitrate	1,800	154	2,001	189
Ammonium Chloride	5,500	392	9,801	676
Calcium Cyanamide	33,364	1,873	10,272	612
Calcium Superphosphate ..	276,873	9,244	287,021	9,936
Thomas Meal	15,310	364	10,658	242
Fused Phosphate	20,462	649	30,672	1,077
Synthetic & Compound Fertilizers	1,295	121	332	26
Total	849,210	43,673	861,531	48,078

Note: * Fertilizer year (from August to July in the following year).
Source: Compiled by *The Oriental Economist*.

In contrast to the shrinkage of ammonium sulphate sales, other nitrogen fertilizers of ammonium series, particularly urea, registered tangible gains. Thus, the total of all ammonium fertilizers (including urea, ammonium chloride, ammonium sulphate, etc.) went up to 627,000 mt. in the 1955 fertilizer year from 524,000 mt. a year ago.

As for phosphate fertilizers (among which calcium superphosphate is by far the biggest item), too, trade was fairly brisk. Especially noteworthy was the increase of shipments to China, who bought 208,000 mt. compared with 37,000 mt. bound for Taiwan and 35,000 mt. for Korea. Fused phosphate also showed a visible gain.

In the 1956 fertilizer year, starting with August, 1956, trade certainly will be as active as ever. But

the world fertilizer market has been weakening since the summer of 1955, and the United States and Canada have been underselling by-product ammonium sulphate. As the result, international rivalry has been getting hotter and hotter. On the other hand, there are some favorable factors: 1) the freight market is strengthening continuously, and 2) the stoppage of the Suez Canal has turned to Japan's advantage in competition with the European fertilizer exporters.

In November, 1956, Japanese fertilizer producers sent a trade mission to China, indicating their determination to straighten out obstacles in the way for bigger fertilizer trade. And export contracts have successfully been concluded for 50,000 mt. of urea, 170,000 mt. of calcium superphosphate, 350,000 mt. of ammonium sulphate, and 1,000 mt. of fused phosphate. It is further expected that a greater amount of ammonium sulphate will be sold as from 1957. In China, fertilizers are in great need, and demand will further grow bigger in all likelihood.

For greater sales abroad, nothing is more urgent for Japanese fertilizer producers than to cut off their prices. After all, however, their trade will steadily curve up in the future. In the 1956 fertilizer year, 650,000 mt. of ammonium sulphate will be exported to China, Taiwan, Korea, etc. Including 70,000-80,000 mt. of urea, the total of all ammonium fertilizers will top the 900,000 mt. mark. As sales to China will gain, phosphate exports will reach 300,000 mt.

11. AMMONIUM SULPHATE EXPORTS BY DESTINATION

	1954*	1955*
Ryukyus	8,284	13,650
Korea	91,700	41,000
Taiwan	283,500	274,000
China	92,076	92,500
Philippines	635	5,476
Thailand	1,400	1,600
Others	1,418	14,405
Total	479,013	442,631

Note: * Fertilizer year.
Source: Compiled by *The Oriental Economist*.

Pharmaceuticals

FROM January through December, 1955, pharmaceutical production amounted to ¥87,465 million, or up ¥9,000 million (11.4%) from a year ago. The production index (1934-36 as 100) climbed up by 24% from 537.4 to 665.5. Exports in the same period totalled ¥2,885 million, or 3.3% of the total output, while on the other hand imports summed up to ¥3,509 million, or 4%. Compared with other industries, therefore, overseas sales were relatively small.

Major export items were: vitamins and compounds thereof valued at ¥396 million (bound for the United States, China, Brazil, Taiwan, etc.), household drugs at ¥121 million (for Taiwan, Ryukyus, Hongkong, etc.), sulphamins at ¥121 million (for China, Taiwan, Brazil, India, etc.), penicillin and other anti-biotics, Jintan, santonin, etc.

Among import items the most important were: vitamins and compounds thereof valued at ¥145 mil-

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lion (from the United States, Switzerland, West Germany, etc.), anti-biotics at ¥124 million (from the United States, Panama, etc.), alkaloid and salts thereof at ¥90 million (from the United States, Switzerland, England, etc.), aspirin, chlortetracycline, and sulphamins.

Destinations were (in order of percentage of the total value): the United States (23.1%), Taiwan (21.2%), China (18.6%), Ryukyus (8.9%), Brazil (5.8%), India (3.2%), England (2.5%), Hongkong (2.4%), Argentina (2.2%), West Germany (1.9%), Thailand (1.6%), Korea (1.4%), Singapore (0.7%), and others (6.5%). Of the total imports, on the other hand, the United States comprised as much as 67.6%, West Germany 19.7%, Switzerland 3.9%, Denmark 2.0%, France 1.7%, England 1.3%, the Netherlands 1.1%, and others 2.7%.

In 1956, output in the first three months totalled ¥23,500 million, and that in the following quarter ¥25,370 million, compared with the quarterly average of ¥21,866 million. In other words, production has been on the steady advance, stimulated by the buoyancy of business activity.

In the April-June 1956 period, pharmaceutical exports showed a sharp increase and exceeded imports for the first time in the past few years, as shown in Table 1. This increase resulted from bigger sales of vitamins, sulphamins and tuberculosis remedies. In this quarter, ¥340 million worth of vitamins, B₁ and C in particular, were sold to the United States, China, Brazil, etc., and ¥93 million worth of sulphadiazine to China, Taiwan, India, Brazil, etc. As TB medicines, PAS jumped to ¥66 million, while streptomycin totalled not more than ¥59 million, both bound mostly for China. Drugs for the stomach and bowels, valued at ¥31 million, were shipped to China, Ryukyus, etc.

Of the April-June 1956 exports, the largest portion of ¥235 million or 24.8% was destined to Taiwan. China comprised the second largest chunk of ¥199 million or 21%, resulting from bigger shipments of PAS (¥50 million), streptomycin (¥84 million), vitamin C (¥24 million), and sulphadiazine (¥15 million). It is to be recalled that China actively bought such medicines as penicillin, vitamin B₁ and sulphadiazine in 1955.

The United States was the third largest buyer, taking ¥174 million worth or 18.4%, followed by Ryukyus with ¥110 million (11.6%) and Brazil with ¥76 million (8%). The United States purchased ¥105 million worth of vitamin B₁ and ¥44 million worth of vitamin C in striking contrast to Taiwan who bought a vast variety of pharmaceuticals from household drugs to vitamins and sulphamins.

April-June 1956 imports reached ¥863 million, of which hormones accounted for ¥349 million or 40.6%, anti-biotics 15.1%, vitamins 13.2% and alkaloids 10%. Hormones also witnessed a marked gain, coming mostly from the United States and West Germany. Anti-biotics were purchased almost entirely from the

United States, and vitamins from the United States, West Germany and Switzerland.

The United States was by far the biggest vendor: in the first half of 1956 purchases therefrom aggregated ¥1,030 million, or 64% of the total imports. West Germany came next with incomings of ¥436 million, followed by Switzerland with ¥72 million, England with ¥27 million, and France with ¥20 million.

12. PHARMACEUTICAL EXPORTS & IMPORTS

(In ¥1,000)

	Exports	Imports
1955: Jan.-Mar.....	605,981	856,326
Apr.-June.....	666,631	880,253
July-Sept.	767,495	909,823
Nov.-Dec.	845,356	862,847
1956: Jan.-Mar.....	590,378	788,867
Apr.-June.....	946,263	853,361

Source: Compiled by *The Oriental Economist*.

Sundry Goods

PRODUCTION of sundry goods has been curving up steeply in the past few years.

Toys:—Among major items, the greatest output boost was seen in toys: i.e. more than three-fold from 1953 to August, 1956. It must be cited, however, that metal toys jumped about eight times while on the other hand celluloid toys suffered a drop of 50%. The boom-like expansion of metal toy output came from the ever-active inquiries from abroad, overseas sales accounting for 70-80% of the total deliveries. Future prospects, therefore, depend upon market conditions abroad, particularly in the United States, by far the heaviest buyer, taking nearly 60% of the total exports. It is to be noted that, as customers they are generally well off and their purchasing power is far bigger than in any other country, high-priced toys, such as radio-controlled automobiles priced at ¥2,000-3,000 per unit, are gaining in importance as export items, whereas celluloid products have been losing ground.

Metal tableware:—The second largest gain next only to that of toys (see Table 13) was witnessed in this category. Production now averages ¥240-250

million per month, of which nearly 80% is shipped abroad just as in the case of toys. Recent output is about 70% up from a year ago, this being attributed to the steady increase of overseas sales. In this industry, minor makers predominate, and a cut-throat rivalry among them is assuming such proportions that sales are made increasingly even at less-than-cost prices. To forestall such "over-competition", campaigns have been started for organization of an adjustment association.

Fountainpens & pencils:—Another example of such undue underselling is seen among fountainpen makers. Such cheap offers as ¥50 per pc. are often made and this is because minor makers must needs concentrate their efforts upon shipments to the Southeast Asian markets as the average quality products, priced at about ¥3,600 per dozen, for the domestic market are monopolized by leading interests. It is roughly estimated that 50-60% of the total production is for overseas clients. Production has been taking a crab-like course on the whole because local demand has been rather dull in contrast to the briskness of export trade.

Musical instruments:—Production has been rising smoothly. Unlike in the case of the afore-mentioned items, as exports are quite negligible, the steady output boost is due mainly to the expansion of the domestic market, which in its turn has resulted from the spread of musical education and the popularity of music among the general public since the end of World War II. From 1954 through 1955, output remained stagnant, but it has been picking up since early 1956. This comes partly from the betterment of general economic conditions, but the reduction of the commodity tax on musical instruments (the exemptions upped) in August, 1955, appears to have turned out a great stimulant.

Daily necessities:—Match production has been in stagnancy. One of the major reasons for this is the complete stoppage of exports to Indonesia via Singapore since May, 1955. Overseas sales now account for not more than 2-3% of the total output. On the other hand, there is no hope that the domestic market will get active.

13. PRODUCTION INDICES FOR SUNDRY GOODS

(1953 av.=100)

	Com- posite Index	Corrugated Cardboard	Musical Instru- ments	Stationery			Toys			Daily Necessaries				
				Total	Fountain Pens	Pencils	Total	Metal	Cellu- loid	Total	Aluminium kitchenware	Metal tableware	Lacquer- ware	Matches
Weight (")....	100.0	5.0	11.1	19.5	—	—	29.4	—	—	35.0	—	—	—	—
Weight (2)....	—	—	—	100.0	70.7	29.3	100.0	69.0	31.0	100.0	47.2	11.0	19.8	22.0
Standard Volume	—	9,027	810	—	125 (1,000 doz.)	420 (1,000 gross)	—	5,675 (1,000 pcs.)	842 (1,000 doz.)	—	806 (tons)	325 (1,000 doz.)	1,419 (1,000 pcs.)	295 (100 match tons)
1954 av.	129.0	149.9	120.1	126.5	134.1	108.3	157.6	186.0	94.5	136.3	97.0	119.0	115.7	111.4
1955 av.	169.3	199.0	118.4	126.4	144.5	130.9	272.4	368.3	59.0	118.6	176.9	163.4	122.7	117.8
1956: Jan.	160.8	224.1	121.1	103.4	94.4	125.0	249.0	338.3	50.1	122.1	112.8	188.8	126.0	105.0
Feb.	181.7	235.0	118.0	124.0	117.2	140.3	298.2	399.8	72.0	128.6	124.1	203.3	111.1	116.8
Mar.	199.2	243.4	130.5	147.0	140.7	162.1	324.0	437.4	71.7	139.0	130.1	230.7	127.8	122.2
Apr.	202.9	248.7	134.8	142.0	132.8	164.3	334.1	456.1	62.7	141.6	126.0	277.5	130.2	117.5
May	200.1	260.4	136.2	141.9	133.0	163.4	331.5	459.5	46.6	133.8	116.1	254.5	126.6	117.8
June	201.2	268.2	141.5	137.0	135.7	140.3	331.5	453.4	61.5	136.9	112.8	298.0	116.9	125.0
July	203.9	262.1	144.6	141.4	147.3	127.2	344.7	470.3	65.2	131.0	110.3	282.1	114.4	114.6
Aug.	206.1	272.9	147.3	139.8	142.2	134.0	344.5	477.5	48.6	135.9	113.9	318.2	112.7	113.0

Source: Compiled by *The Oriental Economist*.

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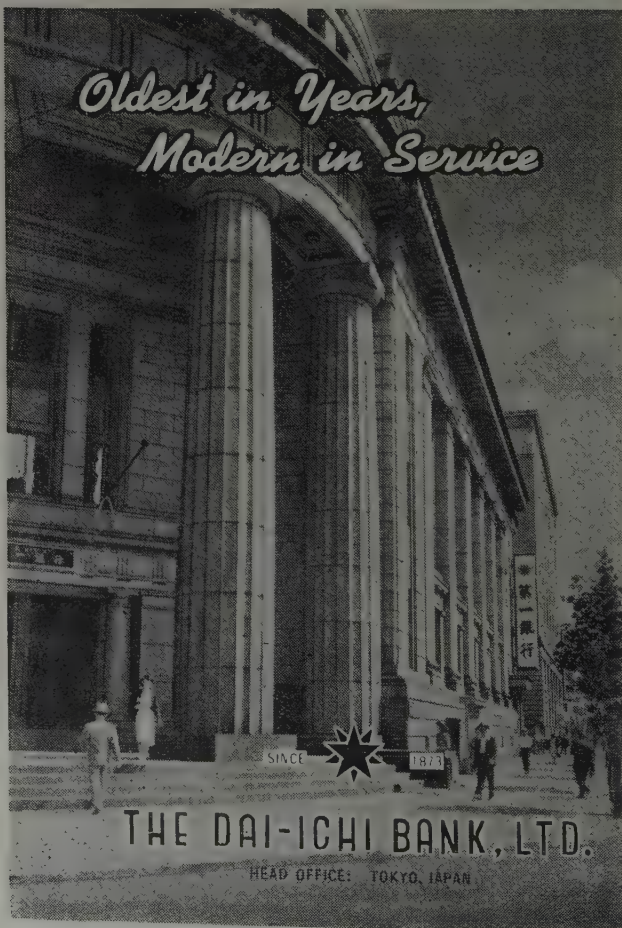
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Japanese Trade Unions Today

By Iwao Ayusawa

TRADE unionism as we know is by its very nature a thing that excites hopes and fears in the minds of men—fears in some and hopes in others, depending on where they stand.

This is true of the trade unions of Japan today particularly because of the strategic position which Japan occupies in the precarious, ill-balanced situation of the world. To what extent either the fears or the hopes entertained by the people concerned are justified can be determined by a close examination of some of the characteristic features of Japanese trade unions today.

Let us, however, warn ourselves at the outset. Such an appraisal as is proposed now must vary much depending on what we take as the criteria, though certainly a comparison with the experiences of some foreign countries may serve as a fair basis of evaluation. The data on Japanese trade unions will be drawn from the experience of the past ten years, though here again we must remember that the past ten year period in postwar Japan was the most abnormal in our history.

Phenomenal Expansion

Any *bona fide* trade unions, which existed, feeble and insignificant as they were in prewar days, were nearly all crushed during the war. None practically existed when the war ended. Starting from nil, however, the number of unions rose to 13,000 within a year after the war ended with total combined membership of nearly 4 million (Aug.-Sept., 1946). In two years, the membership rose to more than 6 million (Nov., 1947) and in three and half years, the peak of nearly 7 million members.

1. CHANGES IN UNION MEMBERSHIP

	Number of Unions	Number of Members
1945		
August	0	0
September.....	8	0
October.....	8	4,026
November.....	74	67,484
December.....	508	379,631
1946		
January	1,516	901,705
February	3,242	1,536,560
March	6,537	2,567,467
April	8,530	3,022,933
May	10,504	3,413,653
June	12,006	3,679,971
July	12,923	3,813,663
August	13,349	3,874,226
September.....	14,697	4,122,209
October.....	15,172	4,163,305
November.....	16,171	4,296,589
December.....	17,163	4,415,482
1947		
June	22,722	5,639,002
December	28,013	6,268,432
1948		
June	33,900	6,533,954
December	36,131	6,705,709
1949		
March	36,482	6,909,543

This is a remarkable record without a parallel in the annals of labor movement anywhere. This was hailed as an achievement, demonstrating the vitality of the Japanese workers and their readiness to rise in the new situation in which they were now placed. Moreover, the Trade Union Law and the Law for Adjustment of Labor Relations which enabled the workers to gain such a strength in so brief a period were laws written entirely by Japanese experts, not by the occupation officers and imposed on the unwilling Japanese as is generally assumed.

Furthermore, the Government of the postwar Japan faithfully endeavored to help develop the unions. The democratically organized Labor Relations Boards, tri-partite in their set-up with representatives of employers, workers and the public, proved to be of immense help in ensuring the enforcement of the new labor laws and a free and full exercise of the newly acquired rights of organization and collective bargaining by the workers.

These, unquestionably, may be cited as the strengths of Japanese workers in the postwar period, or at least as factors in favor of their development. On the other hand, however, so sudden and rapid an expansion as these figures show are indicative of the weaknesses which come from the suddenness of their growth. The number of unions and of members grew because of the laws and not as the result of struggles of the workers, which in its turn means that the workers lacked the necessary training for deriving the full benefit of the new tool of trade unionism. A child given a complicated toy is apt to break it. When twenty-five thousand or thirty thousand unions were formed in a few years' time, it meant that there were twenty-five or thirty thousand workers elected as presidents of those unions and as many secretaries and treasurers without the benefit of accumulated experiences and the knowledge of what they were to do when faced with emergency situations.

And indeed, in the past ten year period, especially in the earlier years, there were nothing but emergency situations. Very often, the newly elected officers of the unions without experience and the necessary background knowledge, lacked confidence in themselves. Naturally, they could make mistakes.

These, then, were some of the weaknesses of the unions as they expanded at a phenomenal rate. If such was the general situation, how did they manage to carry on? In justice to the occupation authorities (which currently are subjected to severe re-evaluating processes) it should be noted that the personnel in charge of labor education under SCAP (Su-

preme Commander for the Allied Powers) took minute cares to "educate" the officers and the rank and file of Japanese unions with commendable zeal. Moreover, as already mentioned, the members of the Labor Relations Boards undertook much of the task to furnish advice and give guidance to the workers for meeting the needs in the emergencies as they arose.

Deficiency in Policy and in Laws

As we look back now on the series of incidents that ensued in the ten year period, it becomes increasingly clear that many of the unfortunate experiences might have been averted had it not been for the deficiencies in the policies that were formulated on high level initially and in the laws that were enforced. Before condemning or passing any judgment on the behavior of Japanese workers' unions, some reflexion on this point would seem *à propos*.

During the occupation period when the so-called Press Code was in force, no Japanese dared to make any comments on the policies or practices of SCAP lest they be condemned as comments "prejudicial to the interests of occupation." The United States Initial Post Surrender Policy for Japan which was formulated by the staffs of State Department and Pentagon jointly and handed to SCAP as guidance in the performance of his functions was a carefully drawn document. But apparently no one, including high General Staff members in the early stage had foreseen the necessity, which soon arose, for providing some sort of effective checks against the subversive and violent acts of the Communists in launching free trade union activities in Japan.

Very shortly after his landing in Japan, General MacArthur issued a directive for the release of all political prisoners which of course included the Communists. SCAP not only did not object to, but seemed even to welcome the participation of the Communist leaders in the work of the Central and Local Labor Relations Boards. That was how the late Kyuichi Tokuda, Chief Secretary of the Japan Communist Party, became member of the Central Labor Relations Board. That was also how Yashiro Ii, who led the historic drive for the General Strike on February 1, 1947 sat as member on that powerful Board and acquired authority and prestige among the rank and file. In the famous document called "the Sixteen Principles on Labor" formulated by the Far Eastern Commission in Washington (sitting in the hall of the Japanese Embassy) and handed also to SCAP for wide circulation among Japanese workers as guidance for developing trade union action, there was nothing provided against subversive Communist activities. Reading of these principles, on the contrary, would lead one to wonder whether a document of this sort did not actually furnish support to the leftist leaders in their activity to incite the unions which culminated in the attempt of the February 1 General Strike. We recall how difficult and embarrassing it

was for SCAP to intervene and call a halt to that strike action in the last hour.

As regards the laws on trade unions, as already mentioned, the drafting of the Trade Union Law and the Law for Adjustment of Labor Relations was done entirely by the Japanese experts. (As a matter of fact, strictly speaking for the sake of historical accuracy, there was one and just one point altered by General MacArthur himself when our draft of the Trade Union Law was submitted to him for final approval. He wanted that police officers should be denied the right to organize and conduct strikes, whereas, our draft had proposed the granting of the same rights to all workers indiscriminately.)

Having drafted the laws for ourselves, we Japanese must be held accountable for any deficiencies, at least in the first Trade Union Law and Law for Adjustment of Labor Relations. (Drastic revisions of the two laws and enactment of some other laws were made subsequently under the orders of SCAP after the incident of the February 1 General Strike).

Generally speaking, it must be admitted that there was perhaps more naive idealism than practical realism in the draftsmanship of the first Trade Union Law. For instance, entitled to the right to unionize were all "workers" who are defined as "any persons living on wages, salaries or other similar incomes regardless of the kind of occupation they are engaged in." So wide a definition as this would entitle almost any person to the right to organize.

The first labor laws were simply and very liberally conceived. Should we say that there was an element of haste in drawing up the laws? In any case, it may now be said that as regards the public service white-collar workers and the men engaged in public utility works such as railways, gas, water and electricity, the law might have been a little more elaborate than it was. Law was too simple.

The result was the anomalous situation, which lasted until the law was revised in 1949, of having in the unions men in higher positions with quasi-managerial responsibility as regular members. It was also the law, or the deficiency in it, which enabled those two and a half million workers including notably the public servants to attempt a general strike against the Government.

Revisions of the labor laws gave rise to resentment of workers against the Government and the occupation and the struggles of the workers to oppose the restrictions of their rights gave the impression abroad as if Japanese trade unions had "turned radical." But the main trouble lay in the deficiency in the initial policy and earlier laws, as the experience amply shows.

Difficulties of Small Size Enterprises

If we were to single out one main characteristic of Japanese industry for explaining much of the difficulties of our trade unions, we should mention

the prevalence of small size enterprises.

We find that 99.8% of all industrial enterprises in Japan are employing less than 200 workers and the number of workers employed in those small units represent 81.4% of all workers in Japanese industries. It is in those small units that the bulk (54%) of export goods are manufactured, amounting in money value to 70% of total Japanese exports. Some of these units are engaged in the manufacture of high class, *de luxe* goods such as silk fabrics, superior quality china, etc.; some are manufacturing automobiles, sewing machines, cotton fabrics, etc., competing in a way with the big scale establishments while many others are sub-contractors of the big establishments, taking orders from them.

Generally speaking, owing to the lack of capital, these small units are poorly equipped with old fashioned, out-moded machinery. Their technical level is bound to be low. They are eking out precarious existence with inadequate capital outlay and inferior, un-scientific manufacturing processes. Being short of funds, they borrow "hot money," that is loans at high interest rate for short terms with the result that whenever the Government adopts a deflationary measure, restraining loans to them, it is they who suffer immediately—many of them, unable to pay wages regularly, or at all, will collapse, thereby throwing many workers out on the streets.

Under such circumstances, the conditions of work at these small enterprises may be anything but satisfactory. An inquiry carried out by the Labor Ministry in 1954 revealed for example that if the hours of work at big enterprises employing 500 or more persons are indexed at 100, the hours at smaller shops employing 100-499 persons were 104, and at still smaller shops having 30-99 employees, the hours were 106. On the other hand if wages at the big enterprises of 500 or more employees were indexed at 100, at smaller shops with 100-499 workers, they were 77 and at still smaller enterprises, the wages were as low as 66. As a matter of fact, it is not only that the hours are longer and the wages lower at the small shops. Labor relations at the smaller shops are apt to be deplorably old fashioned. The figures lately showed that the proportion of workers organized in trade unions tended to grow progressively smaller at smaller units. Whereas 88.2% of the workers were organized in trade unions at the big enterprises employing 500 or more workers, the percentage fell to 60.4% at the places with 100-499 employees; 19.1% at places with 30-99 employees and only 3.9% at still smaller units with 1-29 employees.

Moreover, there are more disputes in smaller establishments than at the big shops. Recent figures of the disputes that were handled by the Local Labor Relations Boards show that out of 1,000 or more disputes handled every year by the Labor Relations Boards, 73-75% were the cases that arose at the enterprises with less than 500 employees.

However, some improvements may take place now

because, on the one hand, major labor federations have begun to extend unionization in the small establishment. On the other hand, the Government is intending to enact a law to furnish special protection to small scale enterprises.

Problems of "Enterprise Unions"

Another striking characteristic of Japanese trade unions is that as many as 67% of the unions are so-called "Enterprise Unions" and only small number are craft or industrial unions in the strict sense. This is a striking comparison with the western countries where a large majority of the unions are either craft or industrial. This is a fact which requires a serious thought because in these peculiar unions are found both dangers and benefits which are inherent in the very nature of this type of unions.

In their formation, enterprise unions are like company unions, the difference between an enterprise union and a company union being in their origin and their philosophy. A company union is born, inspired by and in order to serve the interests of the company (though this will not be openly admitted), often receiving financial help of the company. Under our Trade Union Law, formation of such a union will constitute an "unfair labor practice." Enterprise unions grew up in Japan rapidly, rather in response to the law which encouraged unionization than in response to the needs of the crafts or of the industry in which the workers were engaged. It was neither "craft consciousness" nor "industrial" or "class consciousness" which motivated the formation of the enterprise unions. That is the reason why even ten years after they came into being, most of them remain isolated and unaffiliated to any regional or national federations. This is one major explanation of the existence of as many as 18,000 unions in Japan (with the total membership of 6,286,000—in June 1955) while the United Kingdom had only 674 unions (for total membership of 9,495,000—in Dec., 1954) and the United States 199 unions (for 17,757,000 members—in Dec., 1954). It is obvious that large number of independent unions does not spell strength but on the contrary, weakness. It is by steady and long processes of amalgamation that the workers in the more advanced industrial nations achieved that high degree of consolidation.

Under the Trade Union Law, the unions of workers, in order to be certified as *bona fide* legal unions by the Labor Relations Board, must prove by the statutory provisions that they are independent and autonomous, free from employer domination. Nevertheless, they are allowed to receive contributions from the employer for welfare and similar provisions. Over 55% of the unions operate under "check off" system for collection of union dues. This practice began shortly after the Trade Union Law came into force, quite spontaneously and not as the result of pressures borne by the workers.

Until the Law was revised in 1949, the employers allowed very large number (dozens in some cases) of workers to engage in union activities on a full time basis, continuing still to receive regular salaries from the company. They also had the employers' consent to use without charge the hall of the company for meeting purposes and were even allowed to use the premise of the company for the office of the union. Many of these privileges, unheard of in the western countries, have been denied in Japan after the revision of Trade Union Law, but ample room is left for clever employers to demonstrate their goodwill in their endeavor to buy off reciprocally the goodwill of the union members. The percentage of enterprise unions has been diminishing recently, yet, the existence of so many enterprise unions constitutes a problem since neither the patriarchal spirit of the employer nor the subservient loyalty of the worker toward the employer is dead in Japan.

Labor Disputes and Problems of Financing the Unions

We commenced the present article by mentioning the figures of a phenomenal expansion of trade unions and their membership in Japan after the war ended, presuming that such a development was a matter for congratulation. Surely, the rise of union membership figures might almost always be taken as a sign of progress, on the assumption that that means emancipation of the workers and raising of the standard of their living. We mentioned in passing, however, that large number of unions does not always signify strength.

When it comes to an examination of the statistics of labor disputes, the question becomes more complex and difficult. How are we to evaluate the comparative figures of disputes, the workers involved and the days lost in the disputes? Taking, as it has been suggested to the writer, the figures for the United Kingdom, France, the United States and Japan for the years 1953 and 1954 which happen to be the most recent available for the purpose of comparison, we find that in the number of dispute cases (strikes), the United States comes first and Japan last.

2. NUMBER OF DISPUTES BY YEAR & COUNTRY

Countries	Dispute Cases	Workers Involved	Days Lost in the Disputes
U.S.A.			
1953.....	5,091	2,400,000	28,300,000
1954.....	3,408	1,530,000	22,600,000
U.K.			
1953.....	1,746	1,870,000	2,184,000
1954.....	1,989	948,000	2,454,000
France			
1953.....	1,761	1,784,000	2,722,000
1954.....	1,479	1,319,000	1,044,145
Japan			
1953.....	611	1,341,000	4,279,000
1954.....	619	600,748	3,595,000

Yet, if we compare the number of days lost in the disputes, Japan is only next to the United States and stands above France and the United Kingdom.

Why the United States comes first in every respect is easily understood. It is the country industrially most advanced, with the largest population of all the four compared here, but the number of days lost in the United States is far beyond comparison. If the number of dispute cases is compared with the number of workers involved and the days lost in the disputes, it may generally be said that the Japanese trade unions are behaving much like the unions in other major industrial nations.

We may now look a little into the financing of the unions in this connection.

To the people who know about the financial situation of some of the older and wealthier unions in the United States or in the United Kingdom, the story we have to tell of the financial conditions of Japanese unions may sound appalling. Japanese unions are still quite poor although as compared with the prewar days, there have been enormous improvements in the financial conditions.

The union dues paid in monthly vary from industry to industry and also according to the size of the enterprise because of the differences in the wages paid. Till a couple of years ago, the monthly dues were between ¥150 and ¥280 which represented roughly 1-2% of the wages. Very few unions (practically none) charge the "entrance fee," for as a matter of fact, in the enterprise unions, you are already a member of the union when you are employed in the company. This would sound like a union shop rule, although in principle, a union shop and an enterprise union are two different things. Over 80% of Japanese unions are said to have adopted union shop system—a fact which has given rise to the peculiar situation of so-called *Shiri Nuke Union* (which literally means "un-buttoned union"). A large number of unions, after having signed a union shop contract with the employers fail to insert an article requiring the employers to discharge a worker who has been either expelled or withdrawn from the union. The employer who is loath to have his right of hiring and firing infringed upon does not easily agree to insert such a provision in the contract. The union in such a situation is called by this derogatory name—*Shiri Nuke Union*.

Like the unions in many western countries, Japanese unions finance perhaps 95% of their expenses with the dues paid in by the members. The bigger national federations in recent years have accumulated enough funds, usually raised for the purpose, to purchase or build their own halls. They own and operate simple or sometimes elaborate summer resorts on the sea side or in the mountains, as a welfare feature of the union activity, but unlike the older and well-to-do unions in the western countries, Japanese unions spend very little for mutual aid purposes. They in fact lack the philosophy and practice of the western craft union because of the way they sprang up in the beginning and also because of the development (though inadequate) of

social security laws of the nation. This may be considered a deficiency in Japanese unions.

Unions in Politics—Outlook

We hear or read about huge strikes of auto workers, miners and others in America frequently and at this distance of 6,000 miles, gain an impression as if all American workers were constantly on strike, whereas, we are told, over 90% of the workers remain peaceful and undisturbed, "like deep calm sea." How is the impression which the Japanese workers are giving abroad?

A few things which are not sensational and for that reason do not appear in the headlines might be mentioned here. One is the steady growth of the practice of collective agreements by Japanese unions. One chief aim of the Trade Union Law was to encourage the practice of collective bargaining and signing of collective agreements for industrial peace. Last year Japan had 3,820,000 workers, representing no less than 78% of the workers who are eligible under law, placed voluntarily under the application of collective agreements. In the early period, it is true that the agreements tended to be "unilateral," all in favor of the workers, infringing on the rights of the management with excessive demands. In the more recent period after 1949, much of these abusive features have disappeared.

Secondly, mention should be made of the recourse which all the major national federations have had to the Labor Relations Boards even when they do not have "peace clauses" in their collective contracts. Every year about a thousand cases of labor disputes of rather serious nature have been handled and in the ten year period some ten thousand cases, involving more than 26 million workers in the aggregate, have been settled peacefully by the methods of conciliation or mediation. These are unquestionably healthy signs of Japanese trade unions with a promising outlook.

One thing about Japanese workers' movements which has aroused much concern in the free world is the peace stand of *Sohyo*, the mainstay of Japanese trade unionism, representing over 50% of Japanese workers. They wanted an "over-all peace", i.e. peace with both U.S.A. and U.S.S.R. They now have it. They wish Japan to be neutral, unarmed and to seek for security and peace through goodwill instead of by arms. That is why they are opposed to rearmament. Incidentally this is a principle enunciated in Japan's Constitution. We trust that the free world will honor our Constitution and be patient with the Japanese workers regarding their firm peace stand and find a way eventually for ensuring peace not by arms but by reconciliation. For, in the atomic age when arms do not ensure security or peace anywhere, after all, their stand is perhaps the only realistic one.

(The writer is professor, International Christian University)



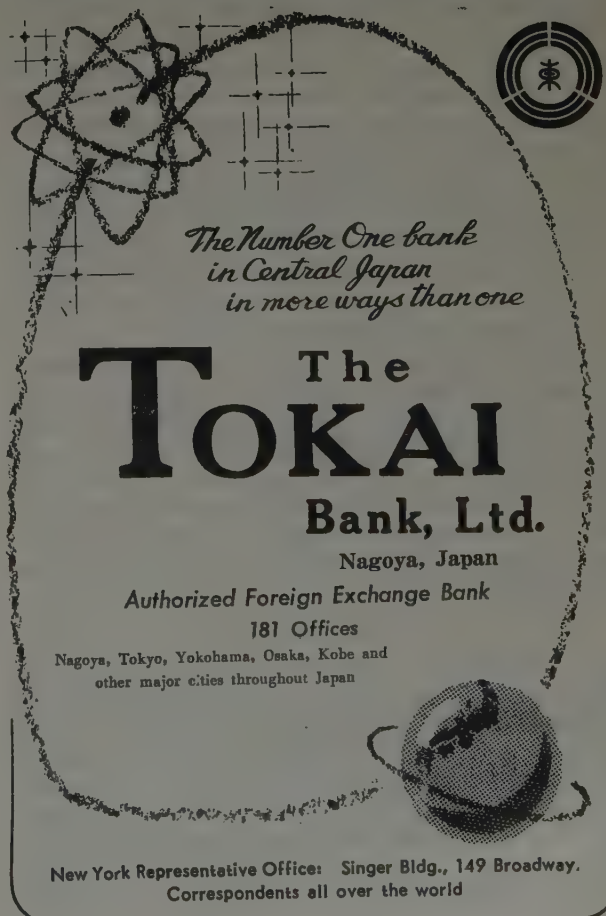
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*Glimpses of Japanese Culture***Schools in Japan**

By Tokiomi Kaigo

A Brief History

The first school appeared in Japan about 1,200 years ago and by the 17th century, many schools had sprung up in various parts of Japan. At the middle of the 19th century, feudal lords established about 270 large schools for samurai leaders. In addition, there were over 30,000 small writing schools for the people, operated by commoners. With the Meiji Restoration in 1868, Japan began to reorganize these institutions under a new system. During the past 80 years modern educational system developed rapidly, through the drastic reorganization of 1949 when the present system was established. At present, schools in Japan compare very favorably with other countries of the world.

The Ministry of Education controls the government, public and private schools under the School Education Law enacted in 1947. Each prefecture, city, town and village has a board of education which controls schools under its jurisdiction, but both public and private schools must adhere to a uniform national system of organization, school years and relations between schools of different stages. They are organized into three stages: elementary, secondary and higher institutions.

Elementary Schools

Elementary education consists of a 6-year compulsory course of study for pupils from 6 to 12 years of age. The cities, towns and villages are mainly responsible for establishing and operating these elementary schools. Of the 26,957 primary institutions only 150 are private, and the rest are all publicly financed. The compulsory 6-year course has been in force for 50 years, and the rate of attendance for both sexes has been over 99% since 1920. Recently it has reached 99.6%.

The curriculum in elementary schools consists of Japanese, social studies, mathematics, science, music, drawing and handicrafts, home-making and physical training. The Ministry of Education prepares an outline of each course which must be followed by the schools. Although each class is supposed to have less than 50 pupils, recently the number has often reached 60, creating a problem of overcrowding.

The new educational trends after the war gave our elementary schools a far different complexion than before. Discussion-method, group study, individual guidance, self-activity program and other new ideas of methods are urged. A curriculum which meets the needs of the community and child development is emphasized in an effort to improve old practices centering on the academic teaching by national text. Better-equipped schools today are achieving excellent results through these improved methods.

Kindergartens

The kindergarten is designed to further the mental and physical development of children under elementary school age. A kindergarten may accept children from 3 years of age but most are 4 or 5 years old. These classes are not compulsory and only some 650,000 children attend the 6,141 kindergartens in Japan. Most are located in residential areas in the cities with few in farm and fishing villages. There are also nurseries operated as a welfare service in areas where industrial workers are concentrated.

Lower Secondary Schools

The secondary school system underwent drastic changes in 1947. Previously, about 20% of those who finished elementary schools entered 5-years secondary schools while most of the others, after two years at senior elementary schools, took jobs and attended part time schools for supplementary vocational and military training. The new system abolished this practice and opened up greater opportunities for secondary education. These schools are now divided into lower and upper secondary institutions.

The middle schools (Lower secondary schools) with a 3-year course of instruction are coeducational and compulsory. Thus, the entire period of compulsory education now lasts 9 years. There are 13,723 lower secondary schools with a total of nearly 6 million students—more than 99% of all school age children.

Lower secondary schools provide general education and do not give specialized vocational training. The curriculum, therefore, is uniform for all students. It consists of required courses in Japanese, social studies, mathematics, science, music, drawings & handicrafts, health & physical training, vocation & home-making; and optional courses in foreign languages, vocation & home-making. Most schools teach foreign languages throughout the three years, almost all English. Students taking a foreign language course generally plan to continue their study in higher secondary schools, while those who take vocation & home-making expect to find a job or settle down.

To improve secondary education, the cities, towns and villages have spent large sums for new school buildings, improving equipment and recruiting teachers in the past 10 years. P.T.As which developed during these 10 years, especially in elementary and secondary schools, are now as active as never before. The present status of secondary education clearly shows that the new system is a great improvement over the old.

NUMBER OF SCHOOLS, STUDENTS, TEACHERS

	Schools	Students	Teachers
Kindergartens.....	6,141	651,235	30,820
Elementary Schools.....	26,957	12,616,311	346,804
Lower Secondary Schools ...	13,723	5,962,449	210,415
Upper Secondary Schools ...	4,574	2,701,717	133,301
Blind Schools	77	9,460	2,039
Deaf Schools.....	99	19,505	3,189
Colleges & Universities	228	547,253	54,596
Junior Colleges.....	268	77,114	12,428

Upper Secondary Schools

The upper level of secondary education is carried out through high schools (upper secondary schools). They are mostly coeducational and their purpose is to provide additional general and vocational education. They are divided into ordinary day schools, part-time or evening schools and correspondence schools. High schools number 4,574 with 2.7 million students enrolled, of which about 20% are part-time or evening school pupils.

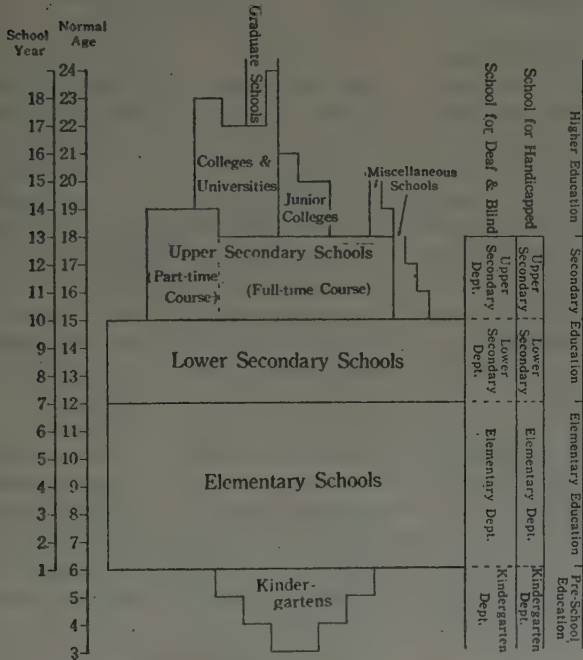
Attendance by courses is approximately as follows: general 59.4%, commerce 14.7%, industry 9.2%, home economics 8.5%, agriculture 7.5%, fishery and others 0.8%. This clearly shows the clear majority of those who take general courses in prepara-

tion for colleges. Of those who take vocational courses, few go on to college. An increase in the number of students taking vocational courses is urged since Japan's industries require many technically trained people.

While there are 1.54 million boys in high school now, girls number 370,000 less. This reflects public reluctance to send girls to higher schools and the gap grows larger in colleges.

The recent extension of high schools contributed enormously to the development of secondary education. Facilities for the growing number of high school students now include correspondence courses with school credits. Attendance of boys and girls up to 18 years in high school may soon reach the levels in the compulsory lower levels. For the social education of those who do not go on to high schools after the compulsory education, there are youth classes at primary, and secondary schools and civic centers which are mostly in the rural vil-lages. The students of these youth classes reach 1 million.

ORGANIZATION OF SCHOOL SYSTEM



Institutions for the Blind, Deaf, etc.

There are also special educational institutions for blind, deaf, mute, feeble-minded, and physically handicapped students. They number 172 with 29,595 students. At present elementary and lower secondary schools for the blind and the deaf-mute are compulsory. Some ordinary schools have special classes for abnormal pupils.

Colleges & Universities

The Higher Education also underwent marked reorganization since the war. Under the old system, higher educational institutions fell into three groups: *koto gakko* (higher schools) which gave general courses as preparations for the government universities, *semmom gakko* (specialized colleges) for profes-sional training in agriculture, industry, commerce, literature, science, music and others, and universities with 3-year courses which accepted graduates of *koto gakko* and *senmon gakko*. In 1947, these institutions all became universities with 4-year courses, accepting high school graduates. For university graduate schools (2 years for a master's, 5 years for a doctor's degree)

were also created. Thus, former *koto gakko* and *senmon gakko* became universities, and existing universities became universities with graduate schools. Some educational institu-tions above the secondary level under the old system, however, have not become universities, but instead junior colleges with 2-year courses.

There are 228 universities with 547,253 students (478,391 males and 68,862 females), and 268 junior colleges with 77,114 students (32,644 males and 44,470 females). There are 16,564 graduate students (15,677 males and 887 females). Altogether male students outnumber female students four to one. Enroll-ment by department is: law, economics, and literature 55%, education 13%, agriculture, engineering, and science 20%, medicine and pharmacy 7%, others 5%. Thus, arts are studied by 68% of students and science by only 27%. The breakdown in junior colleges is: law, economics, and litera-ture 42%, home economics 32%, agriculture, engineering and science 11%, and others 15%. There are many women stu-dents in junior colleges, accounting for the high percentage in home economics.

Some Problems

Many problems have appeared in the present system of higher education. One is that because there are very many colleges and thousands of graduates seek jobs in vain, some people insists on reducing the number of colleges. Another is that the present 4-years universities give general courses for the first two years and specialized instruction in the remaining two years. Some mentioned the weakness of the speciliza-tion under new system and consequently, it is felt at least one year should be added to professional training. In the opinion of some, junior colleges under the present system should be excluded from colleges, resuming the status of *semmon gakko* under the old system, but those who operate private junior colleges insist that junior colleges should be included in the system of higher education.

Also, the growing competition between students to enter universities forces high school graduates to spend an additional one or two years in a preparatory school for entrance examina-tions. The number of high school students who succeed im-mediately in such highly competitive examinations as those of Tokyo University does not reach even 30% and more than 70% of them spend over one year in special preparation.

Present System Will Remain

There have recently appeared some opinions that try to make some changes in the present system of 6-3-3-4 school years. One proposal is that the middle schools with a 3-year course of instruction and the high schools with 3-year courses in the present system of secondary education should be com-bined to form middle schools of 6-year courses centering on vocational training. Another suggestion is that the present high schools of 3-year course of study and the junior colleges of 2-year courses should be linked together to make educational institutions of 5-year courses for vocational training to pro-duce more technicians.

However, the existence of these suggestions is not to be taken to mean that disscussions are underway on the ways and means to alter the present school system of the 6-3-3-4 years. In the opinion of most people, the present system must be continued without drastic changes. It seems quite likely that the present system of school education will continue as it is.

(Professor, Department of Education, Tokyo University)

Commodity Market

Cotton Goods:—The November cotton yarn market proved unexpectedly stiff as the outbreak of the Middle and Near East disturbances and the consequent increase in inquiries from overseas clients came as major supports. The strong market tone continued into December with demands well on the hike. The cotton yarn production continued to maintain a high level with the November output eclipsing the October production by 2,298 bales to reach 231,578 bales. The month-end inventories of yarn and fabrics as of November are estimated to have totalled 420,000 bales (in terms of yarn). With domestic demands and exports active, the increasing tempo of inventories was extremely small and slow. Cotton goods exports during the first 10 months of 1956 (January to October) totalled 903,000,000 square yards while additional 85,000,000 square yards were exported during the first 20 days of November. With December expected to register a sharp gain in overseas sales, as has been the case in the past several years, the total exports for calendar 1956 are estimated to reach some 1,250,000,000 square yards as compared with 1,140,000,000 square yards in calendar 1955. A marked gain in sales to Southeast Asian areas has been the major reason for the fair showing of cotton goods exports, and the good showing is expected to continue into 1957 provided the Suez Canal reopening is further delayed.

Domestic demand for cotton goods have also been on the hike with the average monthly consumption in the January-September period standing at 137,000 bales (in terms of yarn) against the original schedule of 123,000 bales. With the monthly production estimated at 230,000 bales and the monthly consumption estimated at 220,000 bales (including 140,000 bales for domestic demand and 80,000 bales for exports), the size of month-end inventories is bound to swell by about 10,000 bales, but there is apparently no fear of excessive stocks unless they near the 500,000-bale mark. The reported drop of the American cotton crop for the current year was another bracer to the cotton market here. According to the latest announcement by Washington, the actual cotton crop in the United States this year was placed at 13,303,000 bales, some 1,418,000 bales less than the crop last year. Meanwhile, Japanese cotton circles are at present greatly concerned about the governmental plan to tax cotton yarn now being studied by the Special Taxation System Council and the fixation of the export frame for cotton goods bound for the United States being arranged between Tokyo and Washington.

Chemical Fibres:—Rayon filament yarn has continued stiff at the ¥250-260 level after a short-lived dip in November. The production of ordinary rayon filament yarn in November totalled 15,931,000 lbs. and that of Benberg yarn reached 1,843,000 lbs., both making slight slips from the October outputs. The production of high-tenacity rayon yarn, on the other hand, has been on the steady increase with the November output reaching 2,308,000 lbs. The rayon market appears bound to continue strong in view of the surrounding circumstances including above all the following developments: 1) With the production of rayon filament yarn expected to rise, manufacturers have already sold out yarns for January-March shipments and are now ready to take up contracts for April-June deliveries. Contract prices are reported tending upward with ¥230-235 being offered as compared with the MITI-recommended price of ¥225; 2) Average monthly exports amount to about 1,800,000 lbs. in yarn and 40,000,000 square yards in

fabrics. With shipments to Southeast Asia generally on the increase in the January-March period each year, purchases for shipments to Southeast Asian destinations are certain to grow extremely active in late December while the Suez Canal blockade has turned the tables in favor of Japanese rayon products against West European rivals; and 3) Stocking operations by weavers will begin from early January for spring items. Spun rayon yarn also continued fair, contrary to the expectation that the market might soften under the impact of a large production increase (the November production reached 62,809,000 lbs.). On the other hand, spun rayon threatens to become oversupplied as the rationalization of weaving machines has been much delayed as compared with the speedy progress of machines for manufacturing spun rayon. Hence, the supply of yarn is growing somewhat stringent due to active domestic demands and brisk exports.

Woollen Yarn:—The woollen yarn market began to calm down in December after a sharp upsurge in November, although experts expect the rebounding at any time. The Australian wool, which started the season at 118 pence at the close of August, has continued rising steadily later under the impetus of increasing purchases by European countries following the outbreaks in the Middle East and Eastern Europe. As of early December, the quotation at the Brisbane market climbed to a new high of 134 pence with further gains believed likely. With Japanese exports of cotton goods continuing brisk, wool inventories in the hands of Woollen mills have been swiftly exhausted with the possibility of the monthly yarn output tending to slip. Hence, the market is bound to continue stiff.

Raw Silk:—Raw silk prices continued to follow crablike zigzags. The November production of raw silk totalled 28,078 bales, down 6% from the October mark while exports reached 6,923 bales, eclipsing the October level by 2% but down 23% from the like month a year ago. On the other hand, domestic shipments totalled 23,189 bales in November, topping October by 5% and the like month a year ago by 30%.

MAJOR TEXTILE QUOTATIONS

	Cotton Yarn (Osaka)	Rayon Yarn (Osaka)	Spun Rayon Yarn (Osaka)	Woollen Yarn (Nagoya)	Raw Silk (Yokohama)
June	2.... 190.9	233.9	151.0	1,150	2,069
	9.... 200.6	245.5	157.7	1,191	2,079
	16.... 199.9	253.7	157.5	1,185	2,070
	23.... 203.1	281.0	157.8	2,201	2,076
	30.... 196.0	250.0	154.0	1,130	2,062
July	7.... 193.6	268.0	152.7	1,095	2,019
	14.... 186.0	268.0	152.0	1,048	1,987
	21.... 187.0	278.5	154.5	979	1,938
	28.... 170.5	251.5	143.3	962	1,956
Aug.	4.... 183.7	256.0	148.5	1,018	1,989
	11.... 180.5	260.9	149.8	1,015	1,964
	18.... 183.3	269.9	152.5	1,039	1,938
	25.... 181.9	272.9	150.0	1,023	1,909
Sept.	1.... 182.9	248.0	149.3	1,057	1,941
	8.... 183.6	245.1	149.5	1,064	1,924
	15.... 182.6	263.6	149.1	1,080	1,906
	22.... 187.0	285.0	150.1	1,093	1,919
	29.... 189.9	264.5	147.3	1,106	2,001
Oct.	6.... 188.0	244.5	143.9	1,095	2,041
	13.... 187.0	235.9	138.9	1,092	2,057
	20.... 186.6	222.6	134.8	1,094	2,009
	27.... 186.0	231.5	131.5	1,149	2,028
Nov.	2.... 188.9	256.0	139.9	1,183	2,058
	10.... 187.0	240.5	136.5	1,181	2,030
	17.... 195.9	251.5	137.9	1,249	2,007
	24.... 195.9	268.0	138.0	1,251	2,007
Dec.	1.... 193.3	261.4	137.5	1,232	2,028
	8.... 187.0	253.9	135.8	1,149	2,012
	15.... 187.6	253.1	137.8	1,135	2,005

Labor

Quiet Year-End Labor Front:—Labor struggles for year-end bonuses virtually ended on December 13, 1956 with the Japanese National Railways Union, one of the mainstays of the Public Utilities Group, reached agreement with the management. The biggest feature of demands by the group was the average ¥2,000 regular pay raise on top of the usual "passing the year" allowances. However, the Government stood unusually firm against any "extra" pay raise in spite of the July advice of the National Personnel Authority. The most the Government conceded was that it would consider the matter in 1957.

Confronted with this adamant Government stand, the Public Utilities Group (of which the National Railways Union is the leader) resorted to the "stick-to-the-regulations" movements. You would not believe it, but in Japan the labor regulations are so ideally conceived and on such high level that, if strictly followed, all the workings of the Japanese industry will be caught in terrible mess. So the practices would be tantamount to virtual strikes. Fortunately, however, common sense on the part of both labor and management saved much of the inconvenience that might have been caused if they went to extremes.

It was finally decided at the Cabinet meeting that all the Government and public utilities workers including National Railways workers are to get 1.5 month amount of year-end allowance plus 0.15 month amount of special bonus to reward their year-long "sweats." The Government and public utilities workers, most militant of all organized laborers, accepted this proposal to end one of the most peaceful year-end allowance struggles in years. However, informations gathered by this writer suggest that the Government workers are planning to concentrate whatever influence they have in the coming spring wage hike offensives.

Among the private enterprise workers, there have been nothing worthy of the name of strikes. The year of 1956 was one of the most peaceful and uneventful one as far as the private enterprise workers' unions were concerned. On the spur of the fabulous business boom, management got extra big-hearted and accepted the workers' demand almost in toto. On the average, the workers' bonus envelope this year-end is 20—50% fatter than in the previous year.

For an extreme instance, the workers

in the coal mines are getting ¥1,4450 allowances, an amazing 100% increase over the 1955 figure.

One of the salient reasons for the peaceful year-end is the formulation of "Extra Pay Agreement" adopted by important private railway companies and such paper manufactories as Jujo Paper.

Strikes Restriction Law Eternalized:—Among the staring eyes of the world, debates were carried out in the Diet on the "Strikes Restriction Law." On one hand, there were Liberal-Democrats and other conservatives favoring the continuation of the controversial law, and on the other, there were Socialists and other reformist groups, demanding its repeal.

This law, whose full name is "The Law to Restrict Some Means of Bargaining In Electric and Coal Mining Industries" was first formulated in 1952 autumn when the National Federation of Electric Industry Workers Unions and the Coal Mining Industry Workers Union, then two most influential unions in business, staged a staggering series of strikes lasted three long months to the great inconvenience of the general public. The strikes were finally put to an end only by the Government's use of its emergency power.

This unfortunate occurrence prompted the lawmakers as well as the general public to formulate some means to put restrictions on the workers who are at work in such vital industries as electricity and coal mining. By these restrictions, workers at the water sources in the electricity industry and the security personnel in the coal mining industry have come to be forbidden to go on strikes. This was the origin of the present "Strikes Restriction Law".

However, the formulation of the law was by no means smooth and it was only after the three years' time limit was attached to it that the law was finally passed through the Diet. The law expired on August 7, 1956 to revive the old feud. The debates on the continuation of the law was one of the two most important items on agenda in the 25th Extraordinary Diet Session together with the ratification of the Russo-Japanese Joint Declaration.

Labor unions demanded the repeal of the law on the ground that it was unconstitutional to rob any particular number of workers of privileges accorded to other members of the unions, and that the unionists by now had learned the rules of

democracy so well that they would not do any indiscreet behaviours at the first provocation. Moreover, if one union should resort to a strike, it would not matter very much now in the nationalistic viewpoint. This law was the affront to the now well-educated unionists.

Management, on the other hand, maintains that the sole reason why there had been no strikes of significance in those vital industries was because there was the law to prohibit the strikes, not because the workers were well-educated. If there had been no law to curb the rash acts of workers, there would certainly have been strikes as drastic as that carried out in 1952. To show the truth in its words, the management points to the fact that the coal mining workers plotted security personnel pull-out in the 1956 spring offensive despite the existence of the law whose sole business it was to prohibit such drastic acts.

The Government concurred with the management's view and presented the move to continue the law to 25th Extraordinary Diet Session.

At first the Socialists with a strong backing by the labor unions threatened to check the Government move, but finally on December 12, the Government's tactics won the day and the law is now perpetuated.

Changing Population Pattern:—According to the 1955 national census results published on November 27, 1956 by the Statistics Bureau of the Prime Minister's Office, Japan's population pattern has undergone remarkable change.

In detail, of Japan's 89,280,000 population, 29,990,000 are under fifteen years of age, 52,070,000 are between fifteen and fifty-nine, while the remaining 7,210,000 are over sixty. When compared with the population figures in 1950, the number in the youngest bracket is almost the same, while the number in the older brackets has increased by amazing 6,070,000, almost identical with the total population increase in the interim, making the population pyramid in a rather shaky shape.

The main reason is that there has been a drastic drop in the number of births since 1950 with the spread of various birth control methods. Although the fifteen or upward age group increased by 5,510,000 in the past five years, jobs offered kept pace with the population growth maintaining the employment percentage for that particular age group to constant 64.

Foreign Trade

Trade in November

November trade as shown in both export earnings and import outlay was rather slack when compared with October which topped the other months since the war. Nevertheless, it greatly surpassed November 1955. Finance Ministry's customs statistics show that exports during November decreased \$15 million to \$219 million from the previous month, but imports which also declined 24 million to \$281 million reduced the adverse balance to \$62 million from \$71 million. As against November 1955, however, exports increased as much as 30% and imports 26%. In the exports of November classified by commodity group, foods & drinks and machinery remained at the same level as October. In the imports, raw materials for textiles, metal ores and scrap metals increased. Other commodity groups invariably decreased.

1. TRADE IN NOVEMBER

	Value (\$1,000)	% of October
Exports	218,686	93.5
Ships	26,719	99.4
Cotton fabrics	25,175	96.0
Iron & Steel	16,303	95.4
Fish	13,183	94.4
Spun rayon fabrics	11,892	97.4
Garments	8,808	96.8
Rayon fabrics	7,156	97.4
Imports	281,183	92.3
Cotton	39,647	101.5
Petroleum	26,719	88.0
Scrap iron	23,625	105.3
Wool	18,167	122.9
Iron ore	17,383	116.6
Wheat	9,872	47.5
Coal	9,808	101.6

Source: Finance Ministry.

The foreign exchange accounts of November showed the amount of receipts at \$270 million and payments at \$269 million, balancing favorably at about \$50 million. However, the balance of exchange for exports and imports alone was unfavorable to the tune of around \$37 million, exports decreasing by \$18 million to \$198 million and imports increasing by \$13 million to \$234 million from the previous month. In the invisible trade, special

2. FOREIGN EXCHANGE ACCOUNT (\$1,000,000)

	November	Compared with October	Jan.-Nov. 1956	Jan.-Nov. 1955
Receipts	269.8	(→) 19.5	2,938.5	2,398.8
Exports	197.8	(→) 17.5	2,196.4	1,755.9
Invisible trade	71.9	(→) 1.5	742.1	642.8
Special Procurement	55.3	5.0	589.2	501.8
Payments	269.2	5.2	2,657.3	1,966.3
Imports	234.6	13.2	2,238.3	1,671.1
Invisible trade	34.5	(→) 8.0	419.0	295.1
Balance	0.5	(→) 24.7	282.2	432.5
Commodity trade	36.8	(→) 31.2	41.9	84.8
Invisible trade	37.3	6.5	323.1	347.7
Deferred payments	(→) 3.0	(→) 15.1	142.2	127.5
Net balance	3.5	(→) 9.6	189.0	305.0

Source: Bank of Japan. A Adverse.

procurement receipts reached \$53 million, an increase of \$5 million over October.

1956 Imports Increased 30%

Foreign exchange receipts during January through November 1956 amounted to \$2,939 million, an increase of \$540 million over the like period of 1955. The increase in payments, however, amounted to \$791 million, reducing the favorable balance of the same period in 1955 at \$433 million to \$281 million. Thus, it seems unlikely that the favorable balance of January-December 1956 will exceed \$300 (1955's balance was favorable at \$494). The large increase in payments in 1956 was due to the expansion of imports that continued most of the year. Thus, foreign exchange payments for imports during January-November 1956 amounted to \$2,238 million, surpassing the like period of 1955 by 34%. Exports have been active, too, 25% over last year.

The breakdown of \$2,196 million, of Jan.-Nov. 1956 foreign exchange receipts for exports, by settlement currency is as follows: dollars take up about half the total, \$1,008 million; £ sterling \$839 million; the open account \$350 million. Compared with the same period of 1955, dollars increased 49% and £ sterling 27%, but the open account decreased 16%. The decrease in the open account is largely due to the change in the trade with West Germany, Italy, Sweden, Thailand, Brasil and Argentina from the open account to the dollar or pound settlement since October 1955. The imports from the sterling area during the Jan.-Nov. period of 1956 amounted to \$822 million, increasing 69% over \$487 of the same period of 1955. This resulted from two factors: Japan tried to increase imports from the £ sterling area; the change over from the open account to the £ sterling settlement. The payments in dollar for imports during the same period amounted to \$1,058 million, 36% over last year, in the open account to \$359 million, 11% less than 1955.

In an effort toward liberalization of trade, Japan has abolished the open account trade with the countries mentioned in the foregoing, and the open account trade with France and Finland will be altered in January and by the end of March 1957 respectively. Apart from France and Finland, Japan has the open account trade with the Netherlands, the former three countries of Indo-china, Indonesia, Korea, Taiwan, and the Philippines.

Table 3, the break down of Jan.-Nov. exchange receipts and payments by commodity group, clearly shows some features in the commodity trade in 1956. In the exports, the machinery group, whose mainstay is ships that were active, nearly doubled the figure for 1955. Foods, textiles, and sundries increased 40-25% respectively. On the other hand, because of increased domestic demand, shortage in raw material supply, and limited capacity for production, metals & manufactures thereof decreased 10%.

3. TRADE BY COMMODITY GROUP

	Jan.-Nov. (\$1,000,000)		
	1956	1955	Difference (%)
Exports			
Foods & drinks	171.4	122.5	(→) 39.9
Textiles	750.3	650.8	(→) 15.2
Metals & manufactures	317.8	349.8	(→) 9.1
Machinery	400.1	236.1	(→) 94.9
Others	496.5	396.6	(→) 25.2
Total	2,196.4	1,755.9	(→) 25.1
Imports			
Foodstuffs	444.1	478.4	(→) 7.2
Petroleum, fats	602.3	444.7	(→) 34.5
Oils and Wax	216.7	193.7	(→) 11.9
Metal ores ..	341.9	112.5	(→) 203.9
Others	633.0	441.6	(→) 53.8
Total	2,238.3	1,671.1	(→) 33.9

Source: Bank of Japan.

In the imports, it is noteworthy that metal ores trebled, reflecting the active equipment investment in the continuing business prosperity since last year. Increases in petroleum, fats & oils and wax, and raw materials included in "others", were due to the active production in the mining-manufacturing industries. Textile materials increased because the improved foreign exchange holdings enabled more supply in wool, cotton, hard & bast fibres, rayon pulp, etc. On the other hand, the continued bumper crops of rice in 1955 and 1956 and the lowered international price level of foodstuffs combined to cause decrease in foodstuff imports.

Japanese Cottons to U.S.

The negotiations since September 1956 between the United States Government and the Japanese Government on the amount of Japanese cottons to be exported to the United States in 1957 now gained a bright

prospect to reach an agreement within 1956. Since the beginning of 1956, Japan has voluntarily controlled her exports of cottons to the United States, trying to ease the opposition to Japanese cotton goods by the cotton textile industry in the United States. In September and October the Japanese Government upon U.S. Government's request notified it is Japan's own plan to control her exports of cotton goods to the United States. Japan notified the United States that Japan would control her cotton textile exports according to the amount of cotton goods exported during 1955, totaling 270 million square yards, and would be ready to examine the amount to be allowed for each item that would especially affect the industries concerned in the United States. Japan at the same time asked the U.S. Government to abolish the discriminatory State laws against Japanese goods and guarantee to prevent any such discriminations in the future.

The U.S. answer brought to Japan in the middle of October, not only failed to refer to the Japanese proposal, but demanded the quota for 1957 to be 220 million square yards and to limit itemized quotas within 5% of the same items produced in the United States. For instance, the quota for 1957 of velveteen whose exports to the United States totaled around 7 million, in 1955 in Japan's proposal was 5 million square yards (which was further conceded to 3,500,000 sq. yds.), but in the U.S. demand was one million square yards (which the U.S. demanded to be lessened to 500,000 sq. yds. for 1958). On the other hand, the U.S. proposed large quotas for those items which were little exported in the past and will not be increased in the future.

Consequently, if Japan is to swallow the U.S. demand, her exports will certainly decline, though the total quota itself may sound little different from the Japanese proposal. Thus, Tanzan Ishibashi, Minister of International Trade and Industry, stated on November 22 that if the worst comes to the worst even the rupture of the negotiations may become unavoidable. In the influential circles of the cotton industry rose a strong sentiment to consider refusal of the U.S. surplus cotton and cutting down ordinary imports of the U.S. cotton. However, through the firm attitude by the Japanese in the later negotiations, the U.S. later relaxed its proposal of quotas as follows: (1) the total quota for 1957, 235 million square yards and to be increased gradually in later years; (2) the quotas of velveteen and gingham for 1957 respectively 3,500,000 sq. yds. and 40 million sq. yds., to be gradually decreased

in later years.

Nevertheless, Japan has not abandoned her policy to increase the quotas for velveteen and gingham. Also, as a prerequisite to regulate Japan's cotton goods exports to the United States by the quota system, Japan strongly demands that the U.S. President refuse the Tariff Commission's recommendation to raise the tariff rate for velveteen and the U.S. Government's definite pledge not to impose further restrictions on Japanese textile goods.

In the delicate circumstances of this stage of the negotiations, three members of the Subcommittee on Customs, Tariffs and Reciprocal Trade Agreements of the Committee on Ways and Means, U.S. House of Representatives, headed by the subcommittee's chairman Hale Boggs, visited Japan on Dec. 3 to confer with the Government, financial and cotton industry circles. The Boggs Mission's purpose was to conduct researches on the situation in Japan concerning the U.S.-Japan trade and examine various problems. In the press conference before leaving Japan, Mr. Boggs stated his opinion that (1) the wages in Japan are higher than figures in statistics; (2) the United States would not relax the restrictions on trade with China but possibly strengthen them.

Japan-Australia Trade Talks

The Trade Talks in Canberra between Japan and Australia since November 1 halted without much success. The main snag in the Talks lay in the unsuccessful adjustment between the two countries for an agreement on the amount of wheat in the U.S. Surplus Farm Produce and Australian wheat that Japan will import.

Every year Japan imports more from Australia than she exports there. The reason for the adverse balance in Japan's trade with Australia is that Japan's imports from Australia are mostly wool which she cannot cut down, and Australia discriminates against Japanese goods. Namely Australia imposes on Japanese goods the highest tariff rates and also restricts by an approval system on 36 items which include most of Japan's exports to Australia. In the Trade Talks Japan insisted that Australia abandon these discriminatory measures.

The Australian counter proposal to this was that Australia is prepared to remove these restrictions and give Japan the most favored country treatment in tariff if Japan allows Australia free competition with other countries. The Australian intention in this counter proposal was to point out the fact that Japan obstructed the import of Australian wheat which is cheaper and is better quality than the U.S. surplus

wheat in order to accept the latter. In this connection, one notes that under the Second Surplus Farm Produce Agreement (whose term was July, 1955-June, 1956), (1) Japan is obligated to buy 450,000 tons of U.S. surplus wheat, and (2) buy 750,000 tons of U.S. wheat in the ordinary channel of imports to be paid in dollars.

Consequently, for the liberalization of trade with Australia as Australia proposes, Japan must change her policy concerning the acceptance of the U.S. farm surplus produce. The MITI authorities proposed to the Ministry of Agriculture & Forestry to adjust the amount of U.S. farm surplus produce to make room to import Australian wheat. However, in the negotiations for the Third U.S. Farm Surplus Produce Agreement, the United States strongly objects to Japan's proposal to reduce the amount of Japan's ordinary imports of U.S. wheat to smaller than the Second Agreement. The Ministry of Agriculture & Forestry also flatly refuses to stop accepting U.S. surplus wheat. So there is little likelihood that Japan would accept the Australian proposal.

Anglo-Japanese Trade Talks

The Anglo-Japanese Trade Talks which has been underway since October 1 in London also failed to achieve good results, because of the firm British attitude against Japan's proposal for relaxation of British restrictions on Japanese goods. In the Trade Talks, there have been two main points of negotiation from the Japanese standpoint. One has been the scale of trade between Japan and the pound area during October 1956-September 1957. The other has been to what degree Britain would relax its import restrictions. The latter has especially been given the greatest weight in the negotiation by Japan who demanded Britain to give Japanese goods the same treatment as commodities of the OEEC countries. But Britain is said to have pointed out that Japan's payment excess in pound (about £60 million) under the Agreement during October 1955-September 1956 was mainly due to the increases in Japan's payments to other countries than the United Kingdom and other Commonwealth countries, insisting that it is unjustifiable for Japan to try to balance her pound payments by increasing exports to the U.K. and Commonwealth countries. It is also reported that the British delegation stated that (1) if Japan tries to increase imports from Britain, Britain is prepared to discuss raising the limit to the items of imports from Japan, (2) it has no authorization to negotiate on the problem of giving Japan the same treatment as the OEEC countries.

Investment Outlook

Steel's Triumvirate

Proceeds Up:—Japanese steel manufacturers reported fatter profits for the half-year term ended September, 1956 with sales sharply up and turnover ratios of fixed assets rising. The cases of Yawata Iron & Steel, Fuji Iron & Steel and Nippon Kokan (Japan Steel Tube) were the outstanding examples. Proceeds of the three firms during the term under review rose 22% for Yawata, 17% for Nippon Kokan and 10% for Fuji as compared with the equivalents for the preceding term ended March. The sales of major products (inclusive of pig iron, semi-finished materials and steel products) during the half-year period under review amounted to 1,128,000 tons for Yawata (up 102,000 tons over the preceding term), 1,080,000 tons for Fuji (almost unchanged) and 640,000 tons for Nippon Kokan (up 9,000 tons). With the lone exception of Yawata, the sales did not make any sizable gains, but the proceeds made sound gains due to the elevation of the list prices made twice (in March and August). For the term under review, the sales prices by the three firms rose by about 10.0-12.0% over the preceding term.

More Reserves:—The production costs also hiked during the interim, but the resultant boost in expenses was more than sufficiently counter-balanced by the gain in profits which rose 29% for Nippon Kokan, 25% for Fuji and 21% for Yawata. The fair showing of Nippon Kokan was due to the increasing demand for its semi-exclusive specialties like pipes and plates while Fuji's advance was due to the active deliveries of steel materials which accounted for more than two-thirds the total sales. Larger portions of increased profits were set aside for reserves by the three firms. For instance, Yawata allotted more than ¥1,300 million for special depreciation (as compared with ¥500 million for the preceding term) and also earmarked ¥500 million as the price fluctuation reserve. Fuji also set aside ¥500 million for the price fluctuation reserve, although its special reserve was set at ¥400 million, less than half the special reserve exceeding ¥800 million which it appropriated for the preceding term. Nippon Kokan boosted its special reserve for the term ended September to more than ¥800 million, a marked hike over the ¥300 million equivalent for the preceding term

and also increased the price fluctuation reserve to ¥680 million, comfortably in excess of ¥430 million it reserved for the same purpose for the preceding term. After all such reserves, the three leaders registered profits (as shown in Table 1) large enough to leave their dividend rates intact (12% in the case of Yawata and Fuji and 15% in the case of Nippon Kokan) without difficulty.

1. RECENT SALES & PROFITS

(In million yen)

	Sales	Profits	Profit Rates (%)	Dividend Rates (%)
Yawata I. & S. . .	58,759 (48,318)	2,186 (1,719)	46.0 (36.0)	12.0 (12.0)
Fuji I. & S.	45,816 (40,609)	2,031 (1,630)	48.0 (39.0)	12.0 (12.0)
Nippon Kokan ..	40,008 (34,051)	1,694 (1,314)	49.0 (53.0)	15.0 (15.0)

Notes: For the half-year term ended September, 1956 (parenthesized figures are equivalents for the preceding term ended March, 1955).

Source: Compiled by *The Oriental Economist*.

Turnover Ratios:—The turnover ratios of fixed assets by the three leaders are noted to have grown markedly better for the term under review as shown in Table 2, as many new equipments were fully operated to cope with the increasing demand for steel products. The turnover ratio of Nippon Kokan for the term under review stood at 3.2 as compared with 2.1 for the term ended September, 1954. Yawata's turnover ratio climbed from 1.6 to 2.6 and Fuji's equivalent from 1.3 to 2.5 during the same interim. Responsible for the steady improvement of turnover ratios of fixed assets is, above all, the intensive rationalization in management which worked to cut expenses and increased income.

2. TURNOVER RATIOS OF FIXED ASSETS

	Fixed Assets (¥100 million)	Sales (million)	F.A. Turnover Ratios
Yawata I. & S. . .	447 (426)	588 (344)	2.6 (1.6)
Fuji I. & S.	362 (394)	458 (265)	2.5 (1.8)
Nippon Kokan ..	252 (209)	400 (222)	3.2 (2.0)

Notes: For the half-year term ended September, 1956 (parenthesized figures are for the term ended September, 1954).

Source: Compiled by *The Oriental Economist*.

Expansion Plans:—Japanese steel manufacturers almost without exception, have been mapping out large-scale production increase schemes. The pivot of all such plans is apparently directed towards eliminating dependence on steel scraps through

the construction of new blast and open-hearth furnaces. Those expansion programs, which is the second systematic production boost operation since the war's termination, also aim at rejuvenating and improving rolling mills which were comparatively neglected in preceding projects. Such expansion projects now being undertaken by the "Big 3" are in progress according to the following lines: 1) Yawata's expansion program, which costs ¥77,300 million (including ¥59,600 million for the overall 2nd-stage plan and ¥17,800 million for a long-range expansion of plate mills) calls for a) the erection of blast furnaces and converters at its Tobata plant in Fukuoka Prefecture to enlarge the plant into a full-fledged steel mill capable of conducting integral production operations from pig iron to steel products; b) the streamlining of its Yawata plant for the exclusive manufacture of steel bars and plates; and c) the construction of electric furnaces and continuous casting mills at its Hikari plant in Yamaguchi prefecture. All these programs are scheduled to be completed by 1963. 2) Fuji's expansion plan, which will cost ¥74,000 million over the period of six years from 1956 to 1961, calls for a) the erection of continuous hot-rolling equipments for the manufacture of black-sheets at its Muroran plant in Hokkaido; b) the construction of a new tinplate mill at its Hirohata plant in the City of Himeji; and c) the erection of blast furnaces and converters at its Muroran and Hirohata plants. 3) Nippon Kokan is scheduled to spend ¥35,500 million for erecting blast furnaces, converters, medium-diameter steel tube equipments, a plate mill (at Kawasaki) and large-diameter tube welding facilities. The outstanding feature of production and equipment expansion plans undertaken by the three leaders is the predominance of their own funds for financing the projects. In the preceding expansion plans, they mostly depended on loans to finance their undertakings.

3. PRODUCTION INCREASE SCHEMES

(In 1,000 tons)

	Fiscal 1956	Fiscal 1960	Gains
Pig Iron:			
Yawata	1,911	3,138	64%
Fuji	1,980	2,900	46%
Nippon	1,056	1,488	41%
Steel Ingots:			
Yawata	2,634	3,985	51%
Fuji	2,069	2,882	39%
Nippon	1,344	1,836	36%
Steel Products:			
Yawata	2,165	3,295	52%
Fuji	1,724	2,176	26%
Nippon	1,093	1,486	36%

Notes: Fiscal year from April to March.

Source: Compiled by *The Oriental Economist*.

The proceeds of the three steel companies in the current half-year term ended March, 1957 are expected to register about 10% gains over the last term ended September, 1956, due to increased sales and larger profits resulting from the two price elevations (in August and November, 1956). Profits are also expected to swell in parallel. Yawata is scheduled to boost capital to ¥15,000 million as of January 31, 1957 and Fuji will also increase capital to ¥13,-

000 million as of January 30, but both firms will be able to continue the 12% dividends without trouble. Nippon Kokan, although under the ¥10,000 million capital impact, will also find no difficulty to give a 13% dividend. Thus, Yawata and Fuji shares at the current price of ¥70 each promise conservative yields while Nippon Kokan stocks, at ¥90, are a more attractive buy as a further capital expansion is in prospect.

Rising Metals

Three kinds of metals have come sharply into the limelight in recent years as their stocks are now being counted among representative growth shares. Nickel, aluminium and titanium metal, the three leaders in the non-ferrous metals group, vie with steel on equal terms either as vital materials for domestic industries or key items in export trade.

Aluminium:—Three companies (Nippon Light Metal, Sumitomo Chemical and Showa Denko) predominates among Japanese aluminium smelting companies with the first-named accounting for more than 60% of the total production. With the fiscal 1956 production estimated at around 67,000 tons, the demand is expected to far eclipse this mark, compelling the three leaders to draft large-scale equipment expansions. Nippon Light Metal is planning to boost the production from the present 35,000 tons to about 60,000 tons within a few years. Its Niigata plant, closed for some time, is about to be reopened soon while the Kabahara plant (electrolytic mill) and the Shimizu plant (alumina) are being expanded. For the reopening of the Niigata plant alone, the Company will spend about more than ¥4,000 million in equipment funds. Compared with aluminium smelting companies, processing firms are smaller in scale and less stabilized in management. Among major processing firms are Nippon Aluminium Mfg. (Mitsubishi affiliate), Takata Aluminium (Showa Denko subsidiary) and Nasu Aluminium (under Nippon Light Metal). Nippon Seihaku occupies a unique position as an exclusive manufacturer of aluminium leaf and is expected to make a sound growth in view of the increasing demand for its speciality and because of its contract with Japan Monopoly Corporation.

Nickel:—The nickel market has been extremely stiff and the latest elevation of the list price by INCO by 20 cents per lb. is certain to further tighten the Japanese market. Japan's nickel production is divided among Sumitomo Mining, Shimura Kako, Japan Mining, Nippon Yakin, Kamogawa Kako and Nisso Steel. Of these companies, Shimura Kako is outstanding in its growth in recent years. It completed an equipment with the monthly capacity of 500 tons, well outclassing Su-

mitomo Mining's 250 tons. Its sales for the half-year term ended November are estimated to have totalled ¥3,000 million, up some 50% over the preceding term, and a further jump of 50% in proceeds is expected likely for the current term ended May, 1957 to enable it to continue its 20% dividend. Its expansion plan includes an investment in the development of nickel mines in Celebes and the construction of a new mill in northern Japan. After the doubling of capital likely in 1957, the Company will cut the dividend to 18%, but its current share price of ¥140 still promises a good yield. Kamogawa Kako is the only competitor with equipment and capital expansions certain in 1958, Shimura Kako will continue to get the upper hand.

Titanium Metal:—Titanium metal, as a newly-rising metal industry has become a highly profitable business. A bulky export contract amounting to 6,000 tons has recently been concluded with C.C.C. (U.S.) over the period of four years starting October, 1957. This contract is divided into 3,300 tons for Toho Titanium and 2,700 tons for Osaka Titanium.

The possible impact of the price drop of titanium metal may well be countered by the utilization of by-products and a further rationalization of equipment. Hence, titanium metal manufacturers are expected to continue garnering high profits. Toho Titanium, which completed a new mill with the monthly production of 150 tons, in October, 1956, is scheduled to get a new magnesium recovery equipment with the monthly capacity of 100 tons finished by early 1957. With the further expansion of 50 tons in monthly capacity required, the Company may double capital by late 1957. Osaka Titanium has added the monthly production of 120 tons to its capacity recently and is undertaking further expansion plans including the production of zirconium by utilizing by-products. For some time, however, the Company is not expected to boost capital and will continue the 15% dividend. Titanium stocks are one of the representative growing shares. With Toho shares at ¥204 and Osaka shares at ¥131, they are both being bought at low yields for future promises.

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Production of L(+) Glutamic Acid by Fermentation Process

By Dr. Benzaburo Kato



ABOUT fifty years have passed since glutamic monosodium salt (MSG) was first found by a Japanese Dr. Ikeda to be the essence of taste. By this finding, the production of MSG started with its prosperous future and grown up to a huge industry of today. MSG, nowadays, is used in every kind of food and becomes indispensable for every civilized way of life.

The improvement of production method of MSG has been one of the most attractive research items for world wide chemists, and intensive works have been done, but unfortunately nothing was heard on their success so far.

But suddenly, in September 1956, Kyowa Fermentation Ind. Co. announced the success of a new process of MSG by its research group. The process accomplished by Kyowa is a direct fermentation process, which apparently is incredible to produce an amino acid from saccharine materials. A miraculous fermentation reaction was thus accomplished, which destroyed the old fermentation conception.

Now the smallest servants of human beings—microorganisms revealed themselves to be a highly complexed reactor with self producing catalysts within them, and in which the most miraculous reactions are fantastically worked out.

The success of Kyowa research group of this time realized the long years dream of human beings—amino acids synthesis from carbohydrates.

Before talking about the Kyowa's new process, a brief glance at the potential methods of glutamic acid synthesis so far proposed will be of help to the reader. There have been roughly two processes, one is purely chemical synthetic method and the other is a combined method of chemical and biological synthesis. 1. Purely Chemical Method

Acetylene or furfural is proposed as a starting material. When acetylene is used several different synthetic procedures are usable. Some of the intermediate substances in each process are acrylonitril, acrolein, acetoaminomalonic ester, etc. After several reaction steps they can be converted to glutamic acid. When started from furfural α -ketoglutaric acid is synthesized or by photooxidation of furfural malic ester semialdehyde can be obtained. The former can be easily converted to glutamic acid by catalytic action with excess NH_3 . The latter, through succinic semialdehyde, also can be lead to glutamic acid. In any case the glutamic acid thus synthesized is always obtained in racemic state. The hard problem of efficient resolution process thus arises.

2. Semibiological Process

To avoid the hard problem above mentioned biological process has been tried at the final step. In

this case α -ketoglutaric acid is used as the final intermediate. The acid is aminated by the proper enzyme. The enzymes involved in these reactions are transaminase or glutamic dehydrogenase.

The semibiological process is evidently more advantageous over purely chemical synthesis method. But, in practice, the method still contains rather complicated problems to be overcome.

The new method which Kyowa developed is a pure fermentation process and is the simplest method ever known. All the troubles encountered in above 1 & 2 processes are dissolved all at once.

Saccharine material and ammonium compounds are used as chief ingredients in the culture broth. By the elaborate function of a microorganism used, these substances undergo complicated reformations and finally glutamic acid is accumulated in a large amount. It is of course decisively important, as in all other fermentations, to use a microorganism of special physiological activities and to control the fermentation scientifically. In order to realize this marvellous phenomenon, it may be of help to recall the famous Krebs' cycle in which nine organic acids are lined to make a cycle. All of them are derived from glucose by biological function to obtain energy. Among them α -keto-glutaric acid is placed in the middle. The most plausible explanation of this fermentation at present is the α -ketoglutaric acid once produced is switched to glutamic acid production by the specific enzyme action of the microorganism.

Nevertheless the subtle mechanisms of each step are still to be investigated.

The glorious advancements of biochemistry has given birth to a new technique in fermentation, that is "a switching technique".

A bright future is foreseen for fermentation industry by the wide application of this new method for various synthetic reaction by microorganisms.

The success of glutamic acid synthesis by fermentation is really the firm evidence which promises a fruitful future of fermentation industry.

By the Kyowa process the glutamic acid is produced from the cheapest raw materials, in shortest time, with minimum equipments and personnel and with high stable yield. By Kyowa's invention, it is believed that the world supply of glutamic acid will be entirely improved within very near future.

In conclusion Kyowa Fermentation Industry Co., Ltd., to which these researchers and also inventors of MSG belong, is engaged in the manufacture of solvents, esters, plasticizers, floating agents, Streptomycin, and so on, by large scale of fermentation industry. (President, Kyowa Fermentation Co., Ltd., Yurakucho, Chiyodaku, Tokyo)

Book Review

The First Englishman in Japan: The Story of Will Adams.
by P.G. Rogers, Harvill, London, 1956. pp. 144, illustrated.
12s. 6d.

World history is replete with chance occurrences, and so are the biographies of most of the personages recorded in it. Had Will Adams not happened to drift to the shores of Japan in 1600, the history of British-Japanese relations would have been something much shorter and perhaps entirely different.

Adams might have read Marco Polo's account of his travels in the Far East, but he would not have dreamed—when with much reluctance he left his wife and little daughter in 1598 for the New World as a member of a five-ship Dutch expeditionary fleet—that he would be so publicized in later years as the first Englishman to land in Japan. Much less would he have expected that until his death in this country in 1620 he would remain here to act as tutor in mathematics and ship-building to the mighty Shogun Ieyasu, or that because of his services he would be given a large country estate with nearly a hundred retainers, and, what was more significant, that he would translate for the Shogun a letter signed by King James I of England and brought here by John Saris, the first Britisher to come to Japan as an official representative of his country, and finally open up trade between Britain and Japan.

It was the irony of fate that Adams, when he became rich and influential in Japan, should marry a Japanese girl in Tokyo in "a genuine love match" and become the father of two children by her. However, the author reports that, despite this happiness, he "was not faithful to his Japanese wife" and had a third child by another woman living in Hirado near Nagasaki, where he had been engaged in trade as an employee of the East India Company.

In the book under review, Mr. P.G. Rogers gives us a well-documented picture of Adams in a plain narrative, using "no ecstatic colours." In his foreword, Prof. Edmund Blunden writes, "His epitome is to my mind a just and complete one: 'Though Adams was not destined to become as well known to posterity as some fellow adventurers of the Elizabethan age...he was of their stamp...He was, like them, brave, hardy, ambitious, astute and selfish; and again, like them, by sheer force of character raised himself to the position of a leader of men.'"

The book begins with Will Adams' early years, when, the author tells us, Adams, as a boy, was apprenticed to a ship-builder for 12 years, married Mary Hyn in 1589, became friendly with the many Dutch seamen and merchants who often visited the Thames, and finally joined a Dutch venture in 1598.

In the second chapter, "The First Years in Japan," he dwells on the difficulties Adams had before he gained the confidence and admiration of the Shogun. The third chapter unfolds before us a historical drama on the stage of Japan, where the Portuguese, the Dutch, the Spaniards and Adams himself struggled for commercial supremacy, with the Shogun as the central figure.

The following two chapters are descriptions mainly of Captain John Saris, who was delegated to Japan in 1613 by the East India Company in England, a report of his interview with the Shogun, together with Adams, and an account of the "English factory", which Saris set up in Hirado, not for manufacturing goods, but for selling and exchanging them. Mr. Rogers points out the fact that Richard Cocks, who was appointed the "Chief Factor" by Saris, received £150 a year for salary, while Adams accepted a yearly amount of £100 after much bargaining, and the other employees of the factory received a mere £40 each in annual wages.

(K. Yabuki)

Chingin Kihon Chosa (*A Basic Survey of Wages*) (In Japanese)
Edited by Ichiro Nakayama. pp. 1,392. Toyo Keizai
Shinpo Sha. Nihonbashi, Tokyo. 1956. ¥3,000.

In Japan's early postwar years, wage problems drew much public attention. They were a major concern because, labor unions were growing rapidly, and the cost of living was rising under the inflation.

The immediate problem of raising wages to compensate for rising living costs has diminished as a result of the stabilized price level in Japan since 1954. However, of late, a number of analyses have been made of wages in the context of Japan's overall economic state.

Chingin Kihon Chosa is the greatest of these studies and will be remembered long with *Shokushubetsu-to Chingin Chosa* (A Survey of Wages by Type of Vocation, etc.) 21 Vols. by the Ministry of Labor published in April, 1954 and *Chingin Kozo* (Construction of Wages) by Hideo Tsuji, an analysis made thereof.

Chingin Kihon Chosa is the result of a year's research accomplished in commemoration of the 60th anniversary of the foundation of the Toyo Kei Zai Shinpo, a sister magazine of the *Oriental Economist*. It was carried out by 29 members of the Chingin Kihon Chosa Committee, comprising representative experts from academic, government, and business circles, under the chairmanship of Prof. Ichiro Nakayama. The Committee was especially set up in the Tokei Kenkyu Kai. (the Institute of Statistical Research) for the compilation of the Survey.

The report's major subject is wage problems, but it also of necessity covers the growth of the entire national economy, employment, agriculture, etc. as related to wages. Most of the information comes from sources published after the war, but some also from material dating as far back as the early Meiji era.

Supported by good factual material, the survey analyses wage structures in Japan in modern economic terms, and clearly points out differences in wages and labor relations between Japan and other countries.

The first part, "The Structure of Wages," is treated from the standpoint of the national economy and covers 13 chapters dealing with national income, wage-rates, wage differences, etc. The second part, "The Types of Wages" comprises 11 chapters concerning wages in kind, wages by the hour, incentive wages, the basic salary and extra allowances, retirement allowances, interrelationship between various types of wages. The third part, "The System of Wages", is composed of 9 chapters on the system of wage raises, wages based on living cost and ability, and the wage policies. Of the appendices, the Changes in the Postwar Wage Structure in Major Industries, the Bibliography of Postwar Materials on Wages, and the Statistics of Wages since 1868 (the first year of Meiji) represent original research for this volume.

(K.U.)

Science and The Economic Order published by the Metallgesellschaft AG Frankfurt am Main, celebrating the 75th anniversary of its establishment, 1956.

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It is highly praiseworthy and significant, therefore, for a business firm like the Metallgesellschaft to undertake this handy and interesting publication, in celebrating its anniversary. Nine eminent German scholars, representing various branches of science, are stating their ideas on the key problem ahead of us, or "Science and the Economic Order". Erwin von Beckerath (The Influence of Economic Theory on Economic Policy), Adolf Butenandt (The Meaning and Purpose of Scientific Research), Hans Dölle (The Economic Order and the Law), Otto Hahn (Uranium: The Key to the Revelation of the Ultimately Small and the Release of the Infinitely Great), Willy Richard Paul Hartner (Humanism and Technical Precision), Werner Karl Heisenberg (Pure and Applied Research in Atomic Physics), Richard Kuhn (What Is Pure Chemistry?), Werner Schöllgen (The Disintegration of Our Concept of the World), and Helmut Thielicke (Can Human Relations Be Organized?)

It is highly desirable that this sort of discussions will be undertaken more frequently and more widely on paper, in the air and from mouth to mouth, guiding mankind at the crossroads towards the path which leads only to prosperity and peace.

(M.Y.)

Contemporary China. Economic and Social Studies, Documents, Bibliography, Chronology. Edited by E. Stuart Kirby. Vol. I. (1955). Hong Kong, Hong Kong University Press, 1956. XI 264 pp. HK \$25.00, abroad 30s or \$5.00.

This new publication on problems of contemporary China is planned as an annual record of a research seminar at the Department of Economics and Political Science in the University of Hong Kong. There seems at present to be no better place for the collection of data on China than the Crown Colony at the gate to Communist dominated China, and, therefore, scholars of the free world will be grateful to the University of Hong Kong for this yearbook and the wealth of information contained in it.

As indicated in the subtitle, *Contemporary China* is divided into four parts. The first part contains papers read at the research seminar during the 18 months from January, 1954, until June, 1955. The papers discuss historical, geographic, economic and social problems in modern China, problems which had to be faced when the old China changed into the present People's Republic. Although Communism in China is not exactly the same as in Russia, Russian influence makes itself felt now in all phases of Chinese life. Even the New Marriage Law of 1 May, 1950, while abolishing traditional Chinese customs, recognizes Russian customs as the foundation of some of its stipulations.

The second part consists of useful documents, viz., the results of the census held in 1954; the Constitution of the People's Republic of China (in English and Chinese); the Organic Law of the State Council of the People's Republic of China; and the unofficial trade agreement between China and Japan of 1955.

Of special interest to Western scholars will be part III and IV. Part III (p. 193-209) lists some of the more important English and Chinese books and articles on contemporary China which were published between July, 1954, and June, 1955, while part IV gives a chronology of economic, social and political events which took place in China during the same period. A good index concludes the volume.

It is to be hoped that the University of Hong Kong will be able to continue publication of this fine yearbook. (W-L.S.)

1. Business Indices

Year & Month	Treasury Accounts with the Public (2) (Fiscal year) (In 100 million yen)	Bank of Japan Account (1) (In 100 million yen)		Monthly Report of All Banks (1) (In 100 million yen)		Tokyo Stock Prices (3)		
		Note issues	Loans	Deposits	Advances	Dow Jones Average (yen)	Turnovers (In million issues)	Interest Yield (%)
1947 av.	592	2,191	323	2,343	1,682	—	—	—
1948 „	213	3,552	519	5,053	3,813	—	141.6	—
1949 „	808	3,553	886	7,920	6,790	149.95	255.9	6.77
1950 „	419	4,220	1,145	10,485	9,947	101.87	512.1	9.53
1951 „	346	5,063	2,230	15,063	15,178	136.10	821.3	11.91
1952 „	24	5,764	2,232	22,238	21,280	245.67	2,002.6	9.85
1953 „	951	6,298	2,987	27,076	26,712	390.90	2,091.5	7.44
1954 „	1,900	6,220	2,433	30,366	29,119	340.79	1,238.5	9.44
1955 „	2,766	6,738	319	37,243	31,958	374.00	2,505.3	7.96
1955								
July	361	5,378	1,844	32,572	29,862	355.56	145.2	8.02
August	205	5,408	1,644	33,040	29,992	377.48	261.7	7.52
September	70	5,298	1,434	34,627	30,301	386.16	220.8	7.60
October	867	5,493	830	34,257	30,360	401.47	314.1	7.15
November	165	5,593	642	35,294	30,848	401.53	290.8	7.35
December	1,792	6,738	319	37,243	31,958	409.81	384.0	6.92
1956								
January	703	5,828	281	36,498	31,602	426.40	357.3	6.92
February	202	5,685	209	36,837	31,817	429.71	387.1	6.61
March	269	5,747	273	38,929	32,584	444.29	491.0	6.53
April	558	5,847	184	38,475	32,397	471.86	712.1	6.45
May	454	5,614	229	39,378	32,902	480.56	608.9	6.38
June	198	5,969	629	40,635	34,062	502.21	715.7	6.33
July	4	5,975	625	40,883	34,822	496.80	417.1	6.51
August	398	5,924	926	41,683	35,685	502.03	408.2	6.69
September	51	5,995	913	44,258	37,208	487.24	332.8	7.25
October	333	6,110	756	43,635	37,219	496.19	539.9	7.25
November	213	6,260	711	..	..	532.76	1,052.9	6.66
Ag. Previous Month (%)..	—	2.5	5.9	1.4	0	7.4	95.0	8.1
Ag. Corr. Month in 1955 (%).....	—	11.9	10.8	27.4	22.6	32.7	262.1	9.4

Year & Month	Tokyo Wholesale Price Indices (1) Total Average		Tokyo Retail Price Indices (1) Total Average	Export & Import Price Indices (1) (July, 1949-June, 1950=100)		Cost of Living Tokyo (4) (Nov., 1946=100)	Consumer Price Indices (1951=100) (5)	
	1952=100	1934-1936=100	July, 1952=100	Exports	Imports		Tokyo	All Cities
1947 av.	—	4,815.2	—	—	—	236.1	42.7	38.2
1948 „	—	12,792.6	—	—	—	472.9	74.0	69.9
1949 „	—	20,876.4	—	—	—	607.9	92.7	92.2
1950 „	—	24,680.7	—	115.6	107.8	541.1	86.1	85.9
1951 „	—	34,253.1	—	165.5	136.3	637.4	100.0	100.0
1952 „	100.0	34,921.5	100.0	134.9	122.1	681.9	104.2	105.0
1953 „	100.4	35,157.3	103.5	127.9	110.1	782.1	112.0	111.9
1954 „	99.7	34,969.0	106.9	123.0	105.7	850.2	118.1	119.1
1955 „	97.9	34,301.9	102.4	123.5	106.6	874.7	116.4	117.8
1955								
November	97.8	34,263.9	101.3	125.4	106.2	832.1	115.5	115.9
December	97.9	34,299.0	99.8	126.1	105.6	832.9	115.2	115.7
1956								
January	98.6	34,539.6	99.8	127.1	106.1	839.1	115.5	116.4
February	99.3	34,789.5	100.7	127.5	105.2	835.2	116.8	117.4
March	99.6	34,894.6	102.3	128.1	103.7	835.2	118.1	118.5
April	100.2	35,104.8	102.6	127.8	103.8	838.3	118.4	119.1
May	101.3	35,490.2	101.6	128.9	104.4	830.5	116.6	118.1
June	101.4	35,525.2	103.1	128.4	104.4	836.8	118.7	118.8
July	101.6	35,595.3	102.9	127.9	104.0	838.3	115.0	117.2
August	102.8	36,015.7	103.3	128.3	103.9	832.1	116.5	118.4
September	104.7	36,681.3	102.6	129.6	103.4	820.3	117.2	118.5
October	104.5	36,611.3	102.7	130.0	103.4	828.2	118.4	119.4
November	105.6	36,996.6	101.7	..	..	825.8	..	..
December .....	..	..	..	..	..	827.4	..	..
Ag. Previous Month (%)..	1.1	1.1	1.0	0.3	0	0.2	1.0	0.8
Ag. Corr. Month in 1955 (%).....	8.0	8.0	0.4	5.4	1.4	0.7	0.9	0.3

Sources: (1) Bank of Japan.
 (2) Ministry of Finance.
 (3) Tokyo Securities Exchange.
 (4) The Oriental Economist.
 (5) Statistics Bureau, Prime Minister's Office.

2. Business Indices

Year & Month	Consumption Level (1) (1934-1936=100)			Manufacturing In- dustry Wages (2) (1934-6=100)		Employ- ment In- dices for Mfg. In- dustries (2) (1947=100)	Number of Un- employed (3) (In 10,000)	E.P.B. Indices (1) (1934-6=100)		Manufacturing Industries Total (1950=100)	
	Total	Urban	Non- Urban	Nominal (Yen)	Real (Indices)			Business Activity Indices	Mining Manufac- turing	Piled-up Materials Indices (4)	Piled-up Imported Materials Indices (4)
1947.....	—	55.4	—	1,580	32.0	100.0	..	46.2	37.4	—	—
1948.....	—	61.2	—	4,381	48.6	101.0	24	61.8	54.6	—	—
1949.....	—	65.0	—	7,516	66.3	102.0	38	76.7	71.0	—	—
1950.....	—	69.8	—	9,135	85.4	97.1	44	88.0	83.6	100.0	100.0
1951.....	—	68.9	—	11,708	92.1	104.5	39	119.4	114.4	130.4	136.5
1952.....	94.8	80.2	116.6	13,516	102.3	107.7	47	131.8	126.4	140.7	145.4
1953.....	105.6	94.0	123.0	15,322	107.3	112.7	45	161.2	155.1	164.7	164.7
1954.....	111.0	100.0	127.5	16,307	108.0	118.2	58	173.5	166.9	172.6	165.7
1955.....	115.1	106.5	128.1	16,759	114.5	116.6	68	187.9	180.7	188.1	155.3
1955											
October	113.1	104.7	125.7	15,036	104.7	116.6	72	193.2	185.8	197.0	154.3
November	120.2	111.0	133.9	15,541	110.7	116.6	57	197.2	189.7	200.0	158.1
December	175.4	167.3	187.5	27,784	185.8	116.6	57	207.1	199.1	210.7	161.4
1956											
January	117.0	102.3	139.0	15,914	111.1	116.2	68	189.4	181.6	189.8	160.7
February.....	116.8	101.0	140.4	15,598	109.9	116.2	75	198.6	191.0	204.1	157.5
March.....	116.6	104.3	135.1	15,478	107.4	117.7	106	208.1	200.1	216.6	161.1
April	116.5	106.1	132.2	15,925	110.5	121.7	70	219.4	211.2	217.3	169.6
May.....	105.3	99.8	113.6	15,623	107.6	121.9	62	220.4	212.2	220.9	181.5
June.....	106.8	▲ 105.6	108.4	20,435	134.6	122.1	57	223.3	215.4	220.1	195.5
July.....	120.8	123.3	117.1	22,214	152.6	122.6	57	227.5	219.3	227.2	198.8
August	111.9	98.1	132.5	16,647	116.6	122.9	57	228.1	220.2	231.8	208.7
September .....	..	99.0	..	16,055	112.6	123.5	56	▲ 232.9	▲ 224.9	▲ 241.4	▲ 214.3
October .....	..	..	..	..	..	..	..	235.2	227.1	244.5	228.8
Ag. Previous Month (%)	(→) 7.4	(→) 0.9	(→) 13.2	(→) 3.6	(→) 3.4	(→) 0.5	(→) 1.8	(→) 1.1	(→) 1.0	(→) 1.3	(→) 6.8
Ag. Corr. Month in 1955 (%).....	(→) 2.9	(→) 3.3	(→) 3.4	(→) 7.2	(→) 5.8	(→) 5.8	(→) 16.4	(→) 21.9	(→) 22.2	(→) 24.1	(→) 48.3

Year & Month	Producer's Stock Indices Mining Mfg. Total (4)	Seller's Stock Indices (4)	Car- loadings (5)	Depart- ment Store Sales (4)	Foreign Trade (6) (In \$1,000)			Foreign Trade Volume Indices (1934-6=100) (6)		Foreign Exchange (7) (In \$1,000)		
	1950=100	1950=100	Indices 1941=100		Exports	Imports	Balance	Exports	Imports	Received	Paid	Balance
1947.....	—	—	72.1	1,188.6	173,568	526,130	▲ 352,562	—	—	—	—	—
1948.....	—	—	82.3	3,086.1	258,271	684,220	▲ 425,949	—	—	—	—	—
1949.....	—	—	86.9	5,499.8	509,700	904,845	▲ 395,145	—	—	—	—	—
1950.....	100.0	100.0	87.4	7,690.2	820,055	974,339	▲ 154,284	78.1	45.0	1,008,310	677,207	331,102
1951.....	98.7	83.4	106.2	11,943.3	1,354,520	1,995,039	▲ 640,520	87.1	66.8	2,240,580	1,909,277	331,303
1952.....	121.3	85.5	103.3	15,108.9	1,272,915	2,028,193	▲ 755,278	92.4	73.6	2,239,127	1,924,815	314,312
1953.....	120.2	96.1	105.7	19,818.1	1,274,843	2,409,638	▲ 1,134,795	100.0	100.0	2,120,037	2,313,716	(→) 193,679
1954.....	155.5	109.2	105.6	22,193.7	1,629,336	2,399,404	▲ 770,168	133.3	103.6	2,309,264	2,209,296	99,967
1955.....	144.4	113.6	105.9	23,668.9	2,010,600	2,471,430	▲ 460,831	174.1	108.9	2,667,645	2,173,846	493,798
1955												
October	140.0	121.7	109.7	23,237.0	188,903	201,597	▲ 12,694	195.8	104.8	240,394	171,734	68,660
November	138.5	117.3	111.6	26,135.9	168,303	223,988	▲ 55,685	174.4	117.4	236,594	187,899	48,694
December	131.7	112.1	109.2	54,881.1	249,180	233,344	15,835	250.9	123.0	268,769	207,506	61,263
1956												
January	133.9	113.7	107.8	19,503.4	149,781	218,555	▲ 68,774	153.2	115.6	238,341	208,812	29,528
February.....	133.1	112.5	113.3	19,444.2	185,704	220,380	▲ 34,676	191.1	115.9	254,216	210,348	43,868
March.....	126.9	113.8	101.9	27,180.0	223,874	253,365	▲ 29,492	222.4	133.6	256,733	206,487	50,246
April	127.5	115.6	109.7	26,251.0	195,255	255,262	▲ 60,006	201.4	133.5	275,650	223,647	52,002
May.....	130.4	123.8	111.2	23,580.9	194,961	271,747	▲ 76,786	195.1	142.4	245,458	217,004	28,454
June.....	135.0	126.0	115.4	24,226.7	210,742	280,403	▲ 69,661	210.9	144.6	295,161	253,225	41,935
July.....	136.9	132.2	116.5	▲ 31,697.4	197,783	276,447	▲ 78,624	196.0	142.6	274,461	286,437	(→) 11,976
August	135.6	143.4	118.3	23,837.8	215,842	289,392	▲ 73,568	212.4	147.4	282,587	283,071	(→) 484
September	▲ 134.1	141.8	119.3	20,936.3	205,228	258,986	▲ 53,758	▲ 202.3	130.0	256,807	× 237,945	18,862
October	135.8	..	..	..	233,912	304,769	▲ 70,847	231.9	155.3	289,362	264,048	25,314
Ag. Previous Month (%)	(→) 1.3	(→) 1.1	(→) 0.8	(→) 12.2	—	—	—	(→) 14.6	(→) 19.5	(→) 12.7	(→) 11.0	—
Ag. Corr. Month in 1955 (%).....	(→) 3.0	(→) 15.1	(→) 8.0	(→) 25.7	—	—	—	(→) 18.4	(→) 48.2	(→) 12.3	(→) 50.3	—

Notes: ▲ in Foreign Trade means excess in import.
▲ Revised at source. * Revised.

Sources: (1) Economic Planning Board (3) Statistics Bureau, Prime Minister's Office (5) Ministry of Transportation (7) Bank of Japan
(2) Ministry of Labor (4) MITI (6) Ministry of Finance

3. Treasury Accounts with the Public

(In ¥100,000,000)

(Ministry of Finance.)

Items	Fiscal 1955	Fiscal 1956									1955
	Total	May	June	Apr.- June	July	August	Sept.	July- Sept.	Oct.	Nov.	Nov.
General Account											
Revenue											
Taxes	7,733	562	898	1,996	741	779	697	2,217	591	599	518
Monopoly	964	124	117	335	68	130	56	254	35	38	21
Others	378	65	29	164	23	45	30	98	43	33	42
Total	9,075	751	1,044	2,495	832	954	783	2,569	669	670	581
Expenditure											
Defense Expenditure	601	18	7	117	83	14	11	108	88	11	8
Defense Board	688	49	62	265	53	58	46	157	56	71	49
Public Works Expenditure	1,316	93	60	333	66	102	79	247	99	92	73
Local Finance Equalization Grants ..	1,825	0	374	748	36	223	202	461	35	360	222
Compulsory Education Expenditure ..	742	139	—	179	121	45	—	166	107	124	0
Others	3,288	236	267	959	223	238	242	703	283	253	256
Total	8,460	535	770	2,601	582	680	580	1,842	663	911	638
Balance	615	216	274	△ 106	250	274	203	727	1	△ 241	△ 27
Special Accounts and Others											
Foodstuff Control	△ 1,068	238	△ 43	△ 579	△ 299	△ 7	△ 93	△ 399	△ 300	△ 113	△ 87
Trust Fund Bureau	△ 305	△ 113	△ 12	△ 200	△ 66	△ 2	△ 16	△ 84	△ 55	2	52
Industrial Investment	△ 22	20	8	28	△ 17	—	60	43	△ 16	△ 15	△ 20
National Railways and Nippon Tele- graph & Tel. Public Corporation ..	136	132	△ 24	150	△ 34	35	△ 13	△ 12	57	16	44
Finance Corporation	△ 624	△ 50	△ 56	△ 156	△ 53	△ 49	△ 73	△ 175	△ 62	△ 71	△ 53
Others	108	38	125	△ 11	63	154	43	265	△ 20	162	63
Total	△ 1,775	265	△ 11	390	△ 401	131	△ 92	△ 362	△ 386	△ 19	△ 1
Designated Deposits	—	—	—	—	—	—	—	—	—	—	—
Adjustment Items	93	△ 42	△ 98	△ 95	50	△ 13	△ 38	△ 1	72	△ 31	9
Foreign Exchange	△ 1,699	15	33	△ 95	97	6	△ 124	△ 21	△ 10	78	△ 146
Balance	△ 2,766	454	198	94	△ 4	398	△ 51	343	△ 333	△ 213	△ 165

4. Monthly Report of All Banks

(September, 1956: Excluding Bank of Japan)

(In million yen)

(Bank of Japan)

	All Banks						Trust Account (17)
	Debiture Issuing Banks (2)	City Banks (13)	Local Banks (65)	Trust Banks (6)	Total (86)	Leftover from Pre. mo.	
Deposits							
Current Deposits	14,122	734,768	142,506	40,469	931,866	638,405	—
Ordinary Deposits	7,402	530,703	320,958	16,068	875,133	710,741	—
Deposits at Notice	16,557	213,749	51,256	22,888	304,451	244,381	—
Time Deposits	10,146	1,167,543	660,641	31,628	1,869,960	1,491,461	—
Special Deposits	2,891	113,647	31,168	9,013	156,720	129,485	—
Instalment Savings	—	35,883	95,174	297	131,355	121,563	—
Deposits for Tax Payment	13	8,841	2,776	360	11,992	10,687	—
Deposits of Gov't and Gov't Agencies ..	1,980	143,659	—	—	145,639	115,047	* 162,273
Other Deposits	—	548	—	—	548	945	** 151,781
Total	53,114	2,949,344	1,304,483	120,727	4,427,669	3,462,719	—
Borrowed Money	3,391	135,282	1,990	1,714	142,378	162,083	—
Borrowings for Settlement of Import Bills	—	28,963	18	266	29,248	29,027	—
Call Money	1,850	77,502	11,168	7,329	97,849	63,946	—
Cash and Deposits							
Cash in Hand	9,961	574,639	97,979	24,792	707,372	500,617	3,592
Deposits with Domestic Money Organs ..	166	5,769	21,860	1,470	29,267	41,895	3,066
Call Loans	4,822	10,259	29,397	3,389	47,868	26,924	22,735
Securities							
Government Bonds	2,916	35,690	11,924	633	51,164	46,089	77
Local Government Bonds	2,101	25,245	22,247	318	49,913	28,258	1,141
Foreign Bonds	184	2,346	—	—	2,531	2,917	9
Corporate Debentures	11,429	229,636	178,137	5,509	424,713	342,605	3,308
Stocks	9,623	53,819	20,566	3,375	87,384	49,586	2,237
Other Bonds	152	276	1,369	573	2,371	916	21
Total	26,401	347,014	234,245	10,410	618,077	470,374	6,795
Advance							
Discount Bills	13,167	888,236	300,326	66,879	1,268,609	1,047,094	20,490
Bank Acceptance Bills	—	865	10,164	214	11,244	21,699	—
Commercial Bills	13,167	886,296	288,681	66,659	1,254,805	1,022,965	—
Documentary Bills	—	1,074	1,480	5	2,559	2,429	—
Advances against Guarantee	342,050	1,274,868	731,266	40,343	2,388,529	1,933,503	263,164
Loans on Bills	63,025	1,225,140	685,256	39,556	2,012,979	1,618,190	99,054
Loans on Deeds	278,967	16,753	35,050	587	331,358	294,771	49,132
Overdrafts	57	32,874	10,959	199	44,191	20,540	—
Loans for Settlement of Import Bills ..	1,178	59,279	1,107	1,111	62,677	49,549	—
Total	356,397	2,222,384	1,032,699	108,335	3,719,816	3,030,147	283,655

Note: △ Means excess of payment. * Money in trust total. ** Loan trust.

5. Bank of Japan Ten-day Report

(In million yen) (Bank of Japan)

Items	1956			1955
	Nov. 10	Nov. 20	Nov. 30	Nov. 30
LIABILITIES				
Bank Notes Issued	571,018	569,259	626,043	559,346
Bankers' Deposits	5,421	10,583	8,825	2,611
Government Deposits	53,453	37,738	41,580	64,962
Other Deposits	29,462	29,596	27,599	57,636
Inter-Bank Remittance Deposits	—	—	—	28,318
Reserves Against Contingencies	28,098	28,098	28,098	25,615
Other Liabilities	47,260	46,637	43,341	31,298
Capital Stock	100	100	100	100
Reserve Funds	14,286	15,236	15,236	13,473
Total	747,101	737,251	790,826	783,363
ASSETS				
Bullion	447	447	447	447
Cash	3,761	3,771	3,664	5,059
Discounted Bills	15,618	11,662	14,128	20,701
Loans	36,492	21,118	56,986	43,531
Foreign Exchange Loans ..	4,438	4,308	4,206	13,805
Advances to Government ..	—	—	—	1,250
Government Bonds	463,032	468,676	484,253	448,116
Foreign Ex. Accounts	178,570	178,663	178,713	182,362
Inter-Bank Remittance	—	—	—	28,075
Agencies Accounts	9,030	9,634	7,816	9,398
Other Assets	37,709	38,998	40,599	30,614
Total	749,101	737,251	790,826	783,363

6. Outstanding Loans to Industries by All Banks

(In million yen) (Bank of Japan)

End of Month	July 1956			August 1956		
	Loans Total	For Equipments	For Co. with less ¥100 Billion	Loans Total	For Equipments	For Co. with less ¥100 Billion
Manufacturing total	1,620,866	139,691	502,944	1,658,596	147,628	523,224
Foodstuffs	165,214	7,352	87,386	168,226	7,622	87,532
Textiles	371,205	24,861	138,796	390,672	28,171	150,345
Wood and Wood Products ..	64,818	1,272	54,601	66,184	1,382	56,140
Paper & Related Products ..	91,274	10,192	17,106	93,178	10,505	17,981
Printing & Publishing ..	34,102	3,822	12,438	34,939	3,970	13,315
Chemicals	190,763	22,550	29,426	196,394	24,783	30,134
Glass & Ceramics	54,490	10,267	12,813	57,014	10,835	13,346
Primary Metals	215,248	31,269	23,489	205,347	32,042	23,741
Machinery	76,604	3,489	34,107	80,092	3,860	35,300
Electric Machinery & Tools ..	108,847	8,699	14,135	110,833	8,992	14,648
Trans. Machinery & Tools ..	105,566	7,920	15,986	107,576	7,827	16,229
Agriculture	11,442	470	11,092	11,630	471	11,331
Forestry & Hunting	8,726	50	7,426	8,974	50	7,542
Fishery	48,637	14,477	17,001	53,364	15,659	17,697
Mining	88,579	17,307	12,156	90,651	17,600	12,462
Metal Mining	15,722	4,413	689	15,839	4,253	693
Coal Mining	63,324	11,038	8,870	64,837	11,188	9,005
Construction	71,122	762	32,182	74,092	922	33,616
Wholesale & Retail	1,072,934	9,827	564,728	1,099,251	10,637	578,006
Wholesale	978,084	5,183	495,220	1,002,641	5,667	507,582
Retail	94,850	4,643	69,507	96,609	4,940	70,423
Finance Insurance	53,403	83	9,323	55,171	81	9,398
Real Estate	18,075	7,569	7,844	19,198	8,166	8,275
Trans. & Public Utilities ..	284,973	203,176	18,835	291,158	206,403	19,521
Railways	23,972	12,663	200	24,096	12,491	195
Shipping	90,113	63,362	6,115	92,021	63,789	6,607
Electric	110,097	108,171	33	111,856	109,858	33
Services	59,596	14,129	42,561	61,637	14,995	43,961
Local Public Corporation ..	61,772	20,581	—	63,702	20,519	40,559
Others	39,427	1,823	39,221	40,764	1,994	—
Total	3,439,670	429,951	1,265,358	3,525,244	445,103	1,305,600

7. Bank of Japan Official Interest Rates

(In sen per diem per ¥100)**

Revised on	Commer- cial Bills	Against Gov't Bonds *	Advance Against Securi- ties other than Gov't Bonds	Over- draft	Year & Month
1932: Aug. 18	1.2	1.3	1.4	1.6	1956:
1933: July 3	1.0	1.1	1.2	1.4	Feb.
1936: Apr. 7	0.9	1.0	1.1	1.3	Mar.
1937: July 15	0.9	0.9	1.1	1.2	Apr.
Sept. 21	0.9	0.9	1.1	1.1	May
1946: Apr. 9	0.9	1.0	1.1	1.3	June
Oct. 14	1.0	1.1	1.2	1.4	July
1948: Apr. 25	1.2	1.3	1.4	1.7	Aug.
July 5	1.4	1.5	1.6	1.9	Sept.
1949: Apr. 1	1.4	1.5	1.6	1.9	Oct.
June 2	1.4	1.5	1.6	1.9	1955:
1951: Oct. 1	1.6	1.7	1.8	2.1	Oct.
1955: Aug. 10	2.0	2.1	2.2	2.3	

8. Interest Rates for Advances by Member Banks

(In sen per diem per ¥100) (Tokyo Banking Assoc.)

Year & Month	Loans on Deeds		Loans on Bills		Overdraft		Discount Bills	
	High	Low	High	Low	High	Low	High	Low
1956:								
Feb.	3.30	2.60	3.20	1.80	3.00	2.00	3.20	2.00
Mar.	3.20	2.60	3.20	1.80	3.00	2.00	3.20	2.00
Apr.	3.20	2.60	3.20	1.80	3.00	2.00	3.20	2.00
May	3.20	2.40	3.10	1.80	3.00	1.90	3.00	2.00
June	3.20	2.40	3.10	1.80	3.00	1.90	3.00	1.90
July	3.20	2.40	3.20	1.80	3.00	1.80	3.00	1.90
Aug.	3.20	2.40	3.20	1.80	3.00	1.80	3.00	1.90
Sept.	3.20	2.40	3.20	1.80	3.00	1.80	3.00	1.90
Oct.	3.20	2.40	3.10	1.80	3.00	1.80	3.00	1.90
1955:								
Oct.	3.30	2.60	3.30	1.80	3.00	2.00	3.20	2.00

9. Tokyo-Osaka Call-Money and Its Rates

(Bank of Japan)

Year & Month	Tokyo			Osaka		
	Rate Over- Month -End (sen)	Uncon- ditional (sen)	Balance at the End of the Month (million yen)	Rate Over- Month -End (sen)	Uncon- ditional (sen)	Balance at the End of the Month (million yen)
1956: Apr.	1.60	1.30	56,953	1.60	1.40	24,046
May	1.55	1.55	53,476	1.60	1.60	24,024
June	1.75	1.70	47,234	1.80	1.70	19,992
July	2.10	1.90	53,665	2.15	1.85	20,382
Aug.	2.30	2.10	59,175	2.35	2.15	21,625
Sept.	2.35	2.00	54,523	2.35	2.00	21,330
Oct. ....	..	..	65,529	..	..	23,961
Nov. ....	..	..	81,560	..	..	27,358

10. Interest Rates of City Bank Deposits

(In sen per diem per ¥100) (Bank of Japan)

Enforced on	Time Deposits (%)			Current Depo- sits	Ordinary Depo- sits	Depo- sits at Call	Other Deposit
	Three Months	Six Months	One Year				
1940: Feb. A..	—	—	—	—	—	—	—
B..	—	3.4	—	—	—	—	—
1944: July ..	—	3.3	—	0	0.5	0.6	0.6
1947: June ..	3.3	3.5	3.6	0	0.5	0.6	0.6
1948: Jan. ..	3.7	4.0	4.2	0	0.5	0.6	0.6
July ..	3.8	4.2	4.4	0	0.5	0.6	0.6
1949: Aug. ..	3.8	4.4	4.7	0	0.5	0.6	0.6
1951: Jan. ..	3.8	4.6	5.0	0	0.5	0.6	0.6
May ..	3.8	5.0	5.5	0	0.5	0.6	0.6
Sept. ..	4.0	5.0	6.0	0	0.6	0.7	0.7

Notes: A includes foreign trade bills. * includes stamp bills, foreign trade bills, etc. from Oct. 14, 1946; and from June 1949 includes financial and other preferential debentures. ** HOW TO COMPUTE PER DIEM INTEREST:—In addition to the usual annual rate in percentage, computing interest by per diem rates is widely in use in Japan. This rate is expressed in sen (1/100 yen) as interest per day on ¥100 of principal. To find the usual annual rate from the per diem rate multiply the latter by 365. For example, a diem rate of 1.0 sen on a principal ¥100 gives an interest of 365 sen or ¥3.65 per year or 3.65% per annum.

11. Bank Clearings

(In billion yen)

(Tokyo Clearing House)

12. Dishonored Bills

(In million yen)

(Tokyo Clearing House)

Year & Month	All Clearing Houses		Tokyo		Osaka		Of which, Transactions with Bank Suspended							
	No. of Bills	Amount	No. of Bills	Amount	No. of Bills	Amount	Tokyo		Osaka		All Clearing Houses		Tokyo	
							No. of Bills	Amount	No. of Bills	Amount	No. of Bills	Amount	No. of Bills	Amount
	(1,000)		(1,000)		(1,000)		(1,000)		(1,000)		(1,000)			
1956: Mar. ..	11,791	3,286	4,788	1,501	2,377	790	48	3,649	34	2,750	6,877	453	2,257	161
Apr. ..	11,438	3,065	4,616	1,416	2,322	723	45	3,256	33	2,142	6,464	430	2,134	148
May....	12,099	3,040	4,863	1,405	2,454	715	49	3,567	33	2,130	6,600	413	2,186	165
June....	13,049	3,215	5,179	1,494	2,598	768	44	3,496	29	2,098	5,911	362	1,898	133
July....	12,413	3,232	5,080	1,493	2,465	770	45	3,268	31	2,258	6,069	364	1,840	126
Aug. ..	12,134	3,374	4,818	1,543	2,480	810	45	3,226	34	2,153	6,148	366	1,904	134
Sept. ..	11,520	3,457	4,628	1,591	2,346	838	44	3,187	28	2,051	5,768	386	1,918	135
Oct.	13,014	3,779	5,178	1,727	2,641	902	54	4,343	37	2,577	7,165	469	2,171	179
1955: Oct.	10,731	2,853	4,285	1,326	2,160	656	48	3,816	37	2,640	7,366	461	2,275	160

13. Postal Savings & Postal Transfer Savings

(In million yen) (Ministry of Postal Services)

14. Average Yields of Debentures

(Industrial Bank of Japan)

End of Month	Postal Savings			Postal Transfer Savings	Total	Month	Gov't Bonds	Financial Debenture		Industrial Debenture
	Receipts	Pay-ments	Balance					Interest Bearing	Discount	
1956: May....	53,800	46,191	535,639	5,789	541,428	1956: Mar. ..	6.324	7.918	6.643	8.299
June....	51,373	39,833	552,967	5,315	558,282	Apr.	6.331	7.411	6.224	7.701
July....	63,879	42,301	571,545	6,748	578,293	May....	—	7.411	6.224	7.674
Aug. ..	48,704	42,310	578,149	5,901	584,050	June....	6.324	7.411	6.224	7.644
Sept. ..	46,704	42,238	582,615	7,838	590,453	July....	—	7.411	6.224	7.918
Oct.	55,137	42,675	592,445	8,384	600,829	Aug. ..	6.362	7.204	6.224	7.410
Nov.	45,682	41,622	596,503	9,372	605,878	Sept. ..	6.324	7.204	6.224	7.380
1955: Nov. ..	36,796	35,295	489,291	6,772	496,063	Oct.	6.331	7.204	6.224	7.372

15. Tokyo Wholesale Price Indices

(1952 as 100)

(Bank of Japan)

Year & Month	Total Average	Agricultural Products	Textiles	Fuels	Metal & Machinery	Building Materials	Chemical Products	Sundries	By Uses		
									Pro-ducer's Goods	Capital Goods	Con-sumer's Goods
1955 Average	97.9	..	86.3	100.9	91.8	113.7	82.8	93.5	95.1	101.3	101.6
1956: August	102.8	104.1	85.0	103.4	113.5	128.5	86.0	92.7	105.8	119.4	98.7
September	104.7	104.3	86.3	104.2	119.9	133.3	86.4	92.7	108.0	124.5	100.4
October	104.5	103.9	85.7	105.0	119.4	132.0	86.6	92.7	107.8	124.2	100.2
November	105.6	105.1	87.5	109.2	118.8	131.0	86.8	93.0	108.3	123.9	102.0
1955: November	97.8	..	85.3	104.0	95.7	112.1	83.7	92.9	95.9	103.2	100.4

16. Tokyo Wholesale Price Indices

(1934-36=100)

(Bank of Japan)

Year & Month	Average	Agricultural Products	Textiles	Fuel	Metals & Machinery	Building Materials	Chemical Products	Miscellaneous
1954 Average	34,929.6	..	37,446.9	31,031.0	32,259.6	43,844.6	25,980.3	24,751.9
1955 "	34,293.1	..	35,551.3	32,356.2	33,240.5	40,424.1	25,208.6	24,600.6
1956: June.....	35,525.2	..	36,797.9	32,831.8	38,972.3	42,220.3	26,409.3	23,995.4
July.....	35,560.2	..	35,520.4	32,992.1	39,696.7	43,358.5	26,348.3	24,337.5
August	36,015.7	32,878.7	35,026.0	33,152.4	41,109.2	45,706.0	26,196.0	24,930.1
September	36,681.3	32,941.9	35,561.6	33,401.9	43,437.3	47,342.2	26,317.9	24,390.1
October	36,611.3	32,815.6	35,314.4	33,665.4	43,246.2	46,950.9	26,378.8	24,390.1
November	36,996.6	33,194.6	36,056.1	35,012.0	43,028.9	46,595.3	26,439.7	24,469.0
1955: November	34,263.9	..	35,149.6	33,344.8	34,662.2	39,801.6	25,617.3	24,442.7

17. Tokyo Retail Price Indices

(1952=100)

(Bank of Japan)

Year & Month	Total Average	Agricultural Products	Textile Products	Metal Products	Wood Products	Fuel	Miscellaneous	*Total Average	Total Average (1934-6=100)
1956: June.....	103.1	111.5	89.0	97.6	101.9	106.9	93.7	98.7	30,979.9
July.....	102.9	111.1	88.6	98.2	101.9	106.8	93.9	98.6	30,919.8
August	103.3	111.9	88.4	98.4	101.7	106.8	93.9	98.6	30,040.0
September	102.6	110.3	88.9	99.2	101.7	108.0	94.1	98.9	30,829.7
October	102.7	110.0	88.8	99.9	101.7	112.1	94.5	99.1	30,859.7
November	101.7	107.7	89.0	100.0	102.1	115.1	94.9	99.3	30,559.2
1955: November	101.3	108.1	88.9	95.3	101.8	113.0	93.7	99.7	30,439.0

Note: * except perishable vegetables. Δ Provisional figures. ▲ Revised at source.

18. Weekly Wholesale Price Indices

(June 18-24, 1950=100)

(Economic Planning Board)

	Average	Food-stuffs	Textiles	Fuel	Metals	Machinery	Building Materials	Chemicals	Miscellaneous	Consumer Goods	Producer Goods
1956: Oct. 6	171.1	151.4	92.0	165.3	332.9	189.7	229.2	106.1	133.7	145.4	185.0
13	170.2	148.0	91.3	167.5	330.9	189.7	229.0	106.2	133.5	143.2	184.9
20	170.0	154.0	90.5	167.5	319.6	190.0	229.4	106.3	133.7	147.1	182.5
27	169.0	151.6	90.4	168.0	315.4	190.0	230.0	106.3	133.8	145.5	181.8
Nov. 3	168.8	151.6	90.9	168.6	312.7	190.0	229.3	106.3	134.6	145.5	181.4
10	168.4	147.5	91.5	168.6	314.7	191.7	230.1	106.6	134.2	142.9	182.3
17	168.1	146.7	92.2	168.6	312.8	191.7	230.2	106.6	135.1	142.4	182.1
24	168.9	149.2	93.9	168.6	312.0	191.7	230.2	106.6	135.1	144.2	182.3
Dec. 1	169.2	150.5	93.4	169.0	311.0	193.2	229.9	107.0	135.8	145.1	182.4
8	169.7	150.7	93.3	169.0	311.6	196.1	230.5	107.1	136.0	145.2	175.5

19. Commodity Quotations & Turnovers

Year & Month		Tokyo Cotton Yarn (20, single, per lb.)						Osaka Cotton Yarn (20, single, per lb.)							
		Current Month (In yen)			Futures (6 months) (In yen)			Turnover (In 100) (mai)	Current Month (In yen)			Futures (6 months) (In yen)			Turnover (In 100) (mai)
		High	Low	End of Month	High	Low	End of Month		High	Low	End of Month	High	Low	End of Month	
1956: April	217.0	192.8	217.0	205.2	181.3	205.2	77	210.0	192.9	210.0	204.9	182.1	204.9	746	
May.....	222.6	198.5	206.5	210.0	178.3	181.9	100	219.3	194.9	200.0	208.5	177.0	179.7	719	
June.....	212.9	192.6	212.9	190.0	178.9	181.5	59	204.4	189.1	201.9	184.2	175.1	179.0	506	
July.....	201.0	182.7	182.7	180.9	164.5	164.5	83	196.9	173.1	174.5	179.9	163.1	163.1	750	
August	192.2	175.0	182.4	177.5	166.1	174.5	92	186.0	168.5	180.0	170.8	163.1	168.5	334	
September	193.9	187.2	189.3	184.0	171.0	184.0	76	192.5	182.0	192.5	179.3	166.9	179.3	353	
October	193.1	185.0	185.0	184.9	171.0	178.3	70	191.9	184.6	186.0	179.6	168.9	174.9	275	
November	196.4	186.0	191.9	196.0	182.0	191.0	71	200.0	184.0	195.0	192.0	176.5	188.0	490	
Year & Month		Tokyo Rayon Staple (Viscose 120 D. per lb.)						Osaka Rayon Staple (Viscose 120 D. per lb.)							
		Current Month (In yen)			Futures (6 Months) (In yen)			Turnover (In 100) (mai)	Current Month (In yen)			Futures (6 Months) (In yen)			Turnover (In 100) (mai)
		High	Low	End of Month	High	Low	End of Month		High	Low	End of Month	High	Low	End of Month	
1956: April	260.1	227.1	260.0	227.0	206.0	227.0	635	263.0	228.1	246.5	227.5	204.3	227.5	739	
May.....	266.9	238.1	242.5	240.5	213.5	216.5	690	267.0	235.5	241.0	242.0	211.0	213.1	849	
June.....	283.0	230.0	274.9	232.2	213.0	220.0	445	285.9	227.5	283.0	230.1	210.0	219.0	884	
July.....	275.9	251.1	269.9	224.8	208.9	215.1	389	290.0	251.9	290.0	222.9	210.5	212.1	685	
August	279.8	251.5	279.8	225.1	213.9	223.5	324	277.9	250.1	277.9	223.9	209.7	220.0	623	
September	279.9	246.9	269.9	241.8	221.1	241.8	397	290.0	242.6	290.0	238.1	219.5	238.1	840	
October	266.3	222.1	240.9	241.9	217.8	230.0	534	266.9	215.0	231.5	244.5	215.6	227.1	994	
November	272.4	239.9	250.0	257.5	235.0	255.9	729	270.5	235.9	251.0	258.9	235.6	252.9	1,161	
Year & Month		Nagoya Spun Rayon Yarn (30s bright, per lb.)						Osaka Spun Rayon Yarn (30s bright, per lb.)							
		Current Month (In yen)			Futures (6 Months) (In yen)			Turnover (In 100) (mai)	Current Month (In yen)			Futures (6 months) (In yen)			Turnover (In 100) (mai)
		High	Low	End of Month	High	Low	End of Month		High	Low	End of Month	High	Low	End of Month	
1956: April	158.5	140.4	158.5	155.0	135.5	155.0	6	160.0	141.5	160.0	153.0	135.2	153.0	17	
May.....	160.2	154.9	154.9	154.7	141.8	142.0	5	159.9	149.1	158.6	153.5	139.9	141.2	13	
June.....	159.9	150.7	159.9	148.5	141.4	145.1	4	158.4	151.0	156.1	147.9	139.8	142.0	18	
July.....	155.5	148.9	148.9	145.9	130.4	130.4	4	154.9	150.9	154.9	141.9	125.6	125.6	75	
August	149.4	140.5	148.6	134.5	129.5	132.4	4	152.9	142.9	151.5	132.9	126.1	131.7	75	
September	147.5	145.6	146.0	135.9	131.4	135.9	4	151.2	148.4	149.0	126.5	130.1	135.9	69	
October	143.0	133.0	135.8	136.5	125.3	129.0	20	147.9	131.1	131.5	137.7	124.9	128.2	37	
November	140.4	136.0	140.0	137.5	130.1	132.9	17	139.9	134.9	139.9	138.3	124.0	132.6	34	
Year & Month		Yokohama Raw Silk (21 A, per kin)						Kobe Raw Silk (21 A, per kin)							
		Current Month (In yen)			Futures (6 months) (In yen)			Turnover (In 100) (kyo)	Current Month (In yen)			Futures (6 months) (In yen)			Turnover (In 100) (kyo)
		High	Low	End of Month	High	Low	End of Month		High	Low	End of Month	High	Low	End of Month	
1956: April	2,013	1,911	1,992	2,079	1,968	2,079	61	2,021	1,925	2,013	2,064	1,969	2,060	20	
May.....	2,154	2,029	2,071	2,120	2,055	2,071	66	2,152	2,031	2,031	2,124	2,053	2,075	24	
June.....	2,108	2,051	2,066	2,112	2,060	2,067	48	2,101	2,040	2,079	2,119	2,062	2,072	13	
July.....	2,059	1,926	1,941	2,072	1,986	2,000	65	2,065	1,940	1,942	2,075	1,996	2,000	22	
August	1,990	1,889	1,897	2,019	1,960	1,985	50	1,998	1,895	1,895	2,019	1,965	1,986	19	
September	1,941	1,902	1,936	2,035	1,963	2,035	71	1,945	1,907	1,945	2,030	1,960	2,030	22	
October	2,093	2,000	2,028	2,090	2,042	2,065	102	2,090	1,995	2,028	2,094	2,010	2,060	34	
November	2,078	2,000	2,010	2,105	2,055	2,080	52	2,085	2,001	2,016	2,105	2,053	2,074	17	
Year & Month		Toyohashi Cocoon (High grade, per 100 momme)						Nagoya Woollen Yarn (48, double, A grade, per lb.)							
		Current Month (In yen)			Futures (6 months) (In yen)			Turnover (In 100) (mai)	Current Month (In yen)			Futures (6 months) (In yen)			Turnover (In 100) (mai)
		High	Low	End of Month	High	Low	End of Month		High	Low	End of Month	High	Low	End of Month	
1956: April	425	394	413	453	419	453	86	1,045	979	1,045	1,085	923	1,085	858	
May.....	460	421	460	470	453	463	88	1,185	1,073	1,182	1,130	1,002	1,030	993	
June.....	429	402	402	478	464	465	80	1,209	1,143	1,186	1,110	1,025	1,046	654	
July.....	399	349	357	464	445	453	101	1,144	949	959	1,052	946	951	755	
August	383	347	347	471	455	464	53	1,045	955	1,026	1,019	951	1,010	465	
September	452	428	452	493	461	493	65	1,097	1,056	1,097	1,085	1,008	1,085	515	
October	476	456	476	509	493	505	73	1,149	1,080	1,149	1,129	1,040	1,107	550	
November	494	469	469	524	505	509	63	1,277	1,139	1,181	1,207	1,140	1,194	999	

Note: mai=cotton yarn....403 lbs., rayon yarn and spun rayon yarn....200 lbs., woollen yarn....100 lbs., cocoon....10 kan (1 kan=8.267 lbs.), rubber....25) lbs., kyo=raw silk....99.2 lbs., kin=raw silk....160 momme.

20. Exports and Imports by Value and Indices

(1934-36=100 for indices)

Year & Month	Value (In \$1,000)			Value (In million yen)		
	Exports	Imports	Balance	Exports	Imports	Balance
1954 Total	1,629,236	2,399,404	↔ 770,168	586,525	863,785	↔ 277,260
1955 Total	2,010,600	2,471,430	↔ 460,831	723,816	889,715	↔ 165,899
1956: June	210,742	280,403	↔ 69,661	75,867	100,945	↔ 25,078
July	197,783	276,447	↔ 78,624	71,202	99,645	↔ 28,443
August	217,192	288,997	↔ 71,805	78,189	104,039	↔ 25,850
September	205,228	258,986	↔ 53,758	73,856	93,223	↔ 19,367
*October	233,922	304,769	↔ 70,847	84,221	109,729	↔ 25,507
November	218,686	281,183	↔ 62,497	78,736	101,237	↔ 22,501
1955: November	168,304	223,988	↔ 55,685	68,005	72,575	↔ 4,570

21. Foreign Exchange Receipts and Payments by Month

(In 1,000 dollars)

Year & Month	Receipts			Payments			Balance
	Exports	Invisible	Total	Imports	Invisible	Total	
1951 Total	1,297,324	943,257	2,240,580	1,725,110	184,167	1,909,277	331,303
1952 Total	1,289,185	949,942	2,239,127	1,718,361	206,454	1,924,815	314,312
1953 Total	1,156,399	963,638	2,120,037	2,100,998	212,718	2,313,716	↔ 193,679
1954 Total	1,532,478	776,786	2,309,264	1,961,680	247,616	2,209,296	99,967
1955 Total	1,954,169	713,475	2,667,645	1,848,224	325,622	2,173,846	493,798
1956: April	209,919	65,730	275,650	184,909	38,738	223,647	52,002
May	178,426	67,032	245,458	181,554	35,449	217,004	28,454
June	223,223	71,937	295,161	205,603	47,622	253,225	41,935
July	204,621	69,839	274,461	242,829	43,607	286,477	↔ 11,976
August	212,713	69,842	282,556	232,463	50,610	283,070	↔ 516
September	187,968	68,839	256,807	207,036	30,908	237,945	18,862
October	215,857	73,504	289,362	221,399	42,648	264,048	25,314
1955: October	178,778	61,616	240,394	142,043	29,690	171,734	68,660

22. Exports and Imports by Settlement Area

(In 1,000 dollars)

Year & Month	Exports				Imports			
	Total	Dollar	Sterling	Open Account	Total	Dollar	Sterling	Open Account
1954 Total	1,629,236	560,922	492,758	575,556	2,399,404	1,411,067	483,185	554,923
1955 Total	2,010,600	816,440	649,081	545,050	2,471,430	1,322,027	599,514	539,773
1956: April	195,252	88,001	67,332	39,892	255,261	119,957	95,975	39,328
May	194,958	84,242	75,047	35,654	271,747	144,254	89,397	38,093
June	210,742	96,971	72,190	40,415	280,402	156,062	88,977	35,332
July	197,784	89,674	68,351	39,749	276,448	146,389	96,240	33,814
August	215,841	96,664	76,352	42,825	289,392	145,278	104,520	39,574
September	205,229	91,293	73,514	40,420	258,986	141,972	84,100	32,908
1955: September	176,246	79,151	51,851	45,244	180,389	95,146	50,280	34,961

23. Indices for Industrial Activities

(1934-36=100)

Year & Month	Industrial Activities				Manufacturing									
	All	Public Works	Mining-Manu-facturing	Mining	All	Food-stuff	Textiles	Printing & Binding	Chemicals	Rubber & Leather	Wood & Wood Products	Ceramics	Metals	Ma-chinery
1955 average	(153) 187.9	(2) 255.0	(151) 180.7	(10) 117.7	(141) 189.4	(12) 206.7	(12) 85.9	(1) 125.1	(37) 318.4	(10) 177.5	(2) 184.7	(7) 174.8	(18) 218.7	(42) 249.7
1956: March	208.1	292.7	200.1	106.7	212.8	210.0	90.0	131.9	357.2	204.2	201.8	207.6	255.6	312.7
April	219.4	295.4	211.2	125.8	222.8	213.9	95.7	127.9	390.4	199.8	203.0	214.0	263.4	323.4
May	220.4	298.0	212.2	130.6	223.3	219.5	96.0	133.7	391.4	198.4	206.7	212.2	265.8	313.9
June	223.3	284.9	215.4	130.6	226.9	220.0	101.0	135.0	380.2	207.2	202.4	205.2	269.2	339.1
July	227.5	292.0	219.3	131.8	231.2	234.3	103.4	142.8	379.5	207.9	208.3	212.2	265.3	352.9
August	228.1	280.2	220.2	125.6	233.0	231.8	102.1	143.2	369.0	226.9	219.6	217.8	268.6	377.2
*September	232.9	283.4	224.9	131.3	238.9	214.1	107.1	139.7	356.5	240.5	223.3	224.5	278.7	411.3
October	235.5	302.2	227.1	140.5	238.9	214.1	109.4	144.9	367.1	252.8	223.3	233.2	267.4	406.1

Note: * Revised at source.

Source: Table 20, Finance Ministry for value and Economic Planning Board, for indices; Table 21 Foreign Exchange Control Dept., Bank of Japan; Table 22, Ministry of Finance; Table 23, Economic Planning Board.

24. Coal Supply & Demand

(1,000 metric tons)

Year & Month	Carry-overs	Coal Output	Losses	Supply Total	Demand			Month-end Stocks			
					Delivery	Others	Total	At Collieries	At Port	At Market	Total
1956: April	1,166.0	3,783.1	(*) 12.4	4,961.5	3,479.5	(*) 35.1	3,444.4	454.6	479.5	583.0	1,517.1
May	1,517.1	3,929.3	(*) 10.6	5,457.0	3,815.0	(*) 113.0	3,702.0	477.9	509.9	767.2	1,755.0
June	1,755.0	3,917.4	(*) 13.3	5,685.7	3,780.9	(*) 69.1	3,711.8	483.9	564.2	925.8	1,973.9
July	1,973.9	3,921.0	(*) 4.6	5,899.5	3,810.0	(*) 36.8	3,773.2	433.7	578.9	1,113.7	2,126.3
August	2,126.3	3,667.6	(*) 4.9	5,798.8	3,927.5	(*) 201.3	3,726.2	486.4	451.5	1,134.7	2,072.6
September	2,072.6	3,888.2	(*) 12.4	5,973.2	4,153.2	(*) 80.3	4,072.9	478.0	481.8	940.5	1,900.3

25. Electric Energy Consumption (1,000 KWH)

Supplied by Power Companies (Over 500 kw)					Industries	Self-generated				
1956						1956				
May	June	July	August	September		April	May	June	July	August
231,310	228,940	237,537	235,166	239,689	Mining	52,792	44,849	84,708	48,764	42,548
33,660	34,764	36,784	36,763	34,835	Foodstuffs	583	685	825	776	523
164,598	165,855	176,013	174,125	175,743	Spinning	1,108	1,077	1,054	1,005	942
207,320	208,636	212,897	210,625	213,593	Paper & Pulp	63,317	64,524	63,909	63,449	67,339
981,191	913,979	918,223	753,042	772,152	Chemicals	227,604	240,850	237,923	246,129	217,639
12,241	13,290	13,517	13,478	12,817	Oil & Coal Products	2,133	2,523	2,231	2,234	2,672
17,898	18,147	18,694	19,282	20,157	Rubber Goods	—	—	—	—	—
57,077	57,789	59,337	58,502	63,935	Glass & Ceramics	124,493	116,740	109,074	109,099	111,665
604,922	591,994	608,572	559,321	566,878	Primary Metals	234,155	294,847	252,919	247,798	231,177
6,933	6,815	7,187	7,183	7,396	Metal Products	—	—	—	—	—
32,721	33,953	34,419	35,442	36,678	Machinery	154	300	214	140	483
54,809	55,589	54,891	55,060	57,593	Electric Machinery & Tools	—	—	—	—	—
66,690	68,628	68,239	71,534	73,615	Transportation Machinery & Tools	—	—	—	—	—
10,120	10,820	11,680	12,062	11,552	Other Manufacturing	—	—	—	—	—
2,250,080	2,180,259	2,220,453	2,006,519	2,046,944	Manufacturing Total	653,547	676,546	668,149	670,630	632,440
267,210	254,261	264,988	269,616	262,911	Public Utilities	209	216	210	202	211
95,211	104,715	113,500	114,151	105,374	Others	—	—	—	—	—
2,843,811	2,768,275	5,835,978	2,625,452	2,654,918	Total	706,548	721,674	717,282	719,737	675,318

26. Supply & Demand of Raw Silk

(In bales=123 lbs.)

Year & Month	Raw Silk						Silk Fabrics	
	Production	Exports	Domestic Deliveries	Stocks at Month-end	U.S. Consumption		Production	Exports
					Consumption	Stocks at Month-end		
1956: March	25,528	5,709	17,593	18,233	4,823	10,003	13,631	2,938
April	22,306	6,408	17,300	16,649	4,757	9,702	14,396	2,587
May	20,306	4,256	17,891	14,808	5,048	9,626	15,227	3,173
June	20,903	4,415	17,174	14,122	4,627	9,421	15,791	3,511
July	31,620	5,818	22,468	17,366	4,466	9,181	16,011	4,027
August	29,969	7,987	21,212	17,746	4,976	8,661	15,438	3,740
September	30,339	7,190	22,707	17,998	4,762	8,602	16,278	..
1956: January-September.....	225,991	54,024	165,660	—	43,394	—	133,436	24,832
1955: January-September.....	204,697	58,823	144,720	—	38,944	—	139,117	17,737

27. Supply & Demand of Paper and Pulp

Year & Month	Pulp (long ton)				Paper, Western Style (in 1,000 pounds)				Cardboard & Japanese Style Paper (in 1,000 pounds)			
	Production	For Paper	Deliveries	In Stock	Production	Deliveries	Self-Consumption	In Stock	Production	Deliveries	Self-Consumption	In Stock
1956: Feb.	164,793	87,568	78,225	36,329	256,378	243,458	9,775	163,048	424,668	402,905	21,672	212,103
Mar.	179,059	96,510	86,267	32,611	285,249	272,542	9,573	167,114	464,266	439,793	19,795	217,711
Apr.	169,437	91,664	76,334	34,050	270,353	261,834	8,597	176,036	448,280	430,931	19,002	216,058
May	178,974	97,627	81,716	33,681	285,339	276,940	9,859	165,575	472,401	453,190	21,183	214,086
June	178,598	95,891	83,669	32,791	286,412	279,505	9,445	163,036	469,894	451,983	22,218	209,778
July	180,601	97,278	83,857	28,801	288,589	289,806	9,680	152,139	474,644	469,061	22,512	192,849
Aug.	185,420	99,171	85,904	29,146	296,560	295,761	9,467	143,470	480,872	472,723	21,594	179,403

28. Supply & Demand of Soda and Ammonium Sulphate

(In metric tons)

Year & Month	Ammonium Sulphate			Soda Ash			Caustic Soda		
	Production	Deliveries	In Stock	Production	Deliveries	In Stock	Production	Deliveries	In Stock
1956: March	189,695	187,128	100,965	31,766	30,486	3,835	49,227	41,911	8,023
April	202,515	203,281	93,634	30,744	28,019	5,126	50,683	43,509	7,738
May	212,005	201,642	95,458	31,708	30,265	5,433	53,398	44,412	8,511
June	206,610	162,709	132,245	31,636	29,163	7,087	52,874	44,879	8,913
July	200,429	161,473	165,643	29,826	29,202	6,187	56,524	47,851	9,884
August	182,244	200,051	138,826	30,486	27,052	7,979	56,262	47,620	11,006
September	192,292	159,754	163,680	31,325	30,579	7,395	56,352	49,023	10,970
1955: September	177,718	160,363	114,236	27,138	25,286	5,449	44,360	37,011	8,172

Sources: 24. MITI 25. Public Utilities Bureau.

26. Central Raw Silk Association.

27. MITI.

28. MITI.

▲ Revised at source.

29. Supply & Demand of Pig-iron and Steel Materials

(In tons)

(MITI)

Year & Month	Pig iron			Steel Materials					
	Production	Deliveries	In Stock	Steel			Special Steel		
				Production	Deliveries	In Stock	Production	Deliveries	In Stock
1955: Total	5,216,766	1,204,402	88,819	6,931,774	5,363,447	281,393	318,616	238,824	24,463
1956: April	485,359	94,447	124,798	662,599	515,103	284,169	39,057	29,447	23,832
May	514,527	111,015	152,676	675,410	523,418	274,991	37,474	29,629	22,072
June	476,876	115,049	123,554	677,921	512,063	277,546	40,084	31,926	21,477
July	483,032	102,571	102,219	685,542	537,568	267,859	42,297	33,109	19,305
August	500,649	105,882	73,427	694,212	544,177	268,992	42,450	30,414	20,117
1955: August	439,135	102,969	80,783	566,419	460,501	341,738	29,263	23,286	22,629

30. Department Store Sales

(In million yen)

(MITI)

Year & Month	By Month	No. of Stores	Total	Clothing	Sundry Goods	Household Utensils	Provisions	Dining Room	Services	Outside Store Sales	Others	Gift Certificates
Total	1956: January	158	14,577	6,577	2,998	1,467	2,432	461	144	352	146	179
	February	158	14,532	6,537	3,048	1,510	2,507	445	143	170	171	176
	March	158	20,314	9,821	4,412	1,931	3,011	613	194	35	295	298
	April	160	19,620	9,068	4,445	2,066	2,928	612	178	18	304	222
	May	161	17,624	7,997	3,724	2,044	2,795	573	162	16	312	158
	June	161	18,107	8,741	3,605	2,245	2,555	531	137	18	234	190
	July	161	23,690	10,630	4,639	2,699	4,595	655	134	26	312	701
	August	163	17,816	6,691	3,813	2,027	4,104	702	139	24	272	444
	September ..	163	15,647	7,188	3,264	1,758	2,507	525	135	19	252	150

31. JPA Procurement Contracts

(In \$1,000)

Year & Month	Contracts (Weekly total)			Cumulative total as from June 26, 1950		
	Total	Merchandise	Services	Total	Merchandise	Services
1951 Average	29,470	21,209	8,261	—	—	—
1952 "	20,335	13,830	6,505	—	—	—
1953 "	27,359	17,523	9,836	—	—	—
1954 "	19,761	9,975	9,786	—	—	—
1955 "	14,815	5,566	9,249	—	—	—
1956: January	10,148	6,126	4,021	1,716,612	1,005,144	711,468
February	6,913	2,951	3,962	1,723,023	1,007,559	715,464
March	8,251	4,788	3,463	1,730,986	1,012,320	718,666
April	14,494	7,644	6,850	1,745,210	1,019,891	725,319
May	14,843	9,275	5,568	1,759,849	1,029,027	730,822
June	19,810	10,335	9,475	1,781,728	1,039,421	724,307
July	34,992	7,614	27,378	1,816,614	1,046,982	769,632
August	19,496	2,540	16,956	1,834,992	1,050,149	784,843
September	4,857	2,343	2,514	1,838,825	1,052,312	786,513

Source: Economic Planning Board.

32. JPA Procurement Payments

(In \$1,000)

Year & Month	Monthly			Cumulative total as from June 26, 1950		
	Total	U.S.'s Burden	Japan's Burden	Total	U.S.'s Burden	Japan's Burden
1954 Total	453,674	268,679	184,995	—	—	—
1955 Total	355,664	233,875	121,789	—	—	—
1956: June	33,761	22,924	10,837	2,445,066	1,886,782	558,284
July	28,286	23,286	5,000	2,473,352	1,910,063	563,284
August	29,930	24,930	5,000	2,503,282	1,934,998	568,284
1955: August	31,488	22,463	9,025	2,168,176	1,690,074	478,102

Source: American Embassy Economic Section.

33. Labor Population Survey

(In 1,000)

Year & Month	Total (1) Population	Population 14 years old and over						Agriculture & Forestry		Non-Agricultural Industry	
		Total (2)	Labor Force				Not in Labor Force	Not at Work (3)	At Piece-Work (4)	Not at Work (3)	At Piece-Work (4)
			Total of the following three columns	Agriculture & Forestry	Non-Agricultural Industries	Totally Unemployed					
1953 Average	86,780	58,310	39,700	17,130	22,120	450	18,620	260	6,270	300	3,360
1954 "	88,030	59,280	40,150	16,670	22,910	580	19,080	250	5,790	310	3,360
1955 "	89,110	60,920	41,800	17,150	23,970	680	19,010	240	6,360	330	3,790
1956: April	89,900	62,420	43,110	17,000	25,410	700	19,210	250	6,260	270	3,400
May	89,900	62,510	44,610	18,960	25,030	620	17,820	210	4,580	260	3,220
June	90,000	62,600	44,970	19,730	24,670	570	17,560	230	7,130	310	3,060
July	90,100	62,700	44,280	18,530	25,190	570	18,320	230	4,950	440	3,360
August	90,200	62,810	43,380	17,700	25,110	570	19,360	230	7,360	440	3,830
September	90,300	62,920	43,140	17,340	25,240	560	19,710	200	6,330	300	3,290
1955: September	89,300	61,040	42,630	17,820	24,140	670	18,300	170	6,950	290	4,170

Notes: (1) Since August, 1950, total population is the estimated total population as of the 1st of next month.

(2) Including persons whose labor force status was unknown.

(3) Among the persons holding jobs but not at work during the survey week, the following are defined as not at work: self-employed workers are not at work provided that their employees or unpaid family workers are engaged in their business during the survey week; employees are not at work provided that either they received or are expected to receive payment.

(4) Those whose working hours total only 1-34 hours in a week.

Source: Bureau of Statistics, Office of the Prime Minister.

34. Spot Quotations on Tokyo Securities Exchange

Names of Shares	Au- thorized (Paid-up) Capital In mil- lion yen	Divi- dends	1956			Names of Shares	Au- thorized (Paid-up) Capital In mil- lion yen	Divi- dends	1956		
			November		Dec. 15				November		Dec. 15
			High	Low					High	Low	
Transportation			¥	¥	¥	Food & Fishery			¥	¥	¥
Iino Kaiun	6,600	8	95	80	91	Ajinomoto	2,296	25	225	190	207
Mitsubishi Shipping	4,800	8	100	82	93	Asahi Breweries	1,460	20	200	169	197
Mitsui Steamship	5,500	—	78	66	81	Dainippon Sugar Mfg.	720	25	170	140	151
Nippon Express	7,200	16	255	230	240	Honen Oil	1,000	20	165	142	152
Nitto Shosen	6,000	8	98	79	93	Japan Beet Sugar Mfg.	675	20	127	102	113
N.Y.K.	11,400	—	74	65	70	Japan Distilling	1,100	20	111	93	100
O.S.K.	7,600	—	70	58	63	Kirin Brewery	1,845	22	188	160	180
Tobu Railway.....	1,600	13	112	108	110	Meiji Confectionery	840	27	141	133	132
Tokyo El. Express Railway ..	3,000	15	102	92	104	Meiji Sugar Mfg.	500	30	170	137	156
Mining & Oil						Morinaga Confectionery	750	20	179	158	163
Dowa Mining	1,500	25	113	98	149	Nippon Breweries	1,460	20	186	155	180
Furukawa Mining	2,100	12	112	99	111	Nippon Cold Storage	2,000	16	115	100	100
Maruzen Oil	2,625	20	123	111	118	Nippon Flour Mills	864	20	107	100	106
Mitsui Mining & Smelting ...	2,400	18	128	115	116	Nippon Suisan	3,500	15	100	89	101
Mitsubishi Mining	2,700	12	107	79	107	Nisshin Flour Milling	1,000	16	121	114	125
Mitsubishi Metal Mining	2,730	18	134	117	117	Nissin Oil Mills	750	25	160	143	116
Mitsubishi Oil	2,400	20	132	119	122	Noda Soy Sauce.....	800	30	260	216	237
Mitsui Mining.....	1,200	—	159	121	163	Taito.....	300	45	307	250	277
Nihon Mining.....	5,670	18	113	98	96	Takara Shuzo	3,227	20	126	111	118
Nippon Oil	4,500	15	99	90	95	Toyo Seito	333	30	140	133	199
Showa Oil	2,550	20	100	90	98	Chemicals					
Sumitomo Coal Mining	1,200	10	102	78	108	Dainippon Celluloid	2,000	15	127	104	102
Sumitomo Metal Mining	2,145	18	131	112	116	Electro-Chemical	2,040	20	140	128	125
Teikoku Oil	2,000	12	97	84	84	Kansai Paint	600	20	115	99	112
Toa Nenryo Kogyo	3,159	25	169	150	171	Kyowa Fermentation Ind.	1,399	20	166	135	140
Ube Industries	6,000	25	189	139	127	Mitsubishi Chem. Ind.	3,666	10	145	125	129
Shipbuilding & Machinery						Mitsui Chemical Ind.	1,600	15	164	146	138
Canon Camera	400	25	185	178	180	Nippon Chem. & Medicine....	800	20	189	157	112
Ebara Mfg.	600	20	165	153	152	Nippon Soda	1,508	15	133	120	107
Fuji Electric	2,400	18	122	98	113	Nissan Chemical Ind.	2,000	13	85	77	76
Furukawa Electric	3,000	12	103	94	92	Nitto Chem. Ind.	2,247	8	130	128	130
Hitachi, Ltd.	10,000	18	120	104	110	Sankyo	780	25	132	122	131
Ishikawajima Heavy Ind.	2,630	12	101	85	93	Shin-etsu Chemical Ind.	980	15	119	106	103
Isuzu Motor	3,000	16	113	99	99	Shin Nippon Chisso Hiryo ...	2,400	15	122	104	106
Japan Precision Ind.....	800	30	140	120	134	Showa Denko	4,400	15	148	123	135
Koyo Seiko.....	700	15	93	82	88	Sumitomo Chemical	4,000	15	165	139	150
Mitsubishi Elec. Mfg.	5,400	15	110	90	97	Toa Gosei Chemical Ind.....	2,400	20	160	134	146
Mitsubishi Heavy Ind., Reorg..	5,600	12	119	107	108	Toyo Koatsu Ind.	3,600	20	153	129	133
Mitsubishi Japan Heavy Ind. ..	3,000	10	87	77	75	Toyo Soda	1,200	15	99	83	89
Mitsubishi Shipbldg. & Eng. ...	5,630	12	99	88	94	Miscellaneous					
Mitsui Shipbldg. & Eng.	2,240	16	100	88	104	Asahi Glass.....	5,000	20	180	155	152
Nippon Electric	2,000	15	108	99	92	Fuji Photo Film	2,500	20	157	144	142
Nippon Kogaku	465	15	142	131	128	Konishiroku Photo Industry ..	1,800	20	102	93	96
Nissan Motor	4,200	20	114	102	99	Nippon Musical Instruments ..	450	25	168	154	159
Tokyo Shibaura Electric	9,588	12	91	74	86	Nippon Sheet Glass	1,200	20	230	190	219
Toyo Bearing Mfg.	600	20	148	134	134	Toyo Seikan	(A) 400	20	1,700	1,650	—
Steel & Metal						Tokyo Rope	485	10	157	141	152
Fuji Iron & Steel	13,000	12	80	70	75	Yokohama Rubber.....	951	10	179	155	172
Kawasaki Steel	6,100	5	75	67	70	Paper & Printing					
Kobe Steel Works	3,600	12	89	74	77	Hokuetsu Paper Mills	900	10	70	65	66
Nippon Light Metal	2,995	10	183	168	168	Honshu Paper.....	2,000	8	103	81	96
Nippon Kokan Ind.	10,000	15	96	82	89	Jujo Paper	1,120	30	319	262	289
Sumitomo Metal Ind.	5,000	12	89	75	81	Mitsubishi Paper Mills	1,080	15	106	87	94
Yawata Iron & Steel.....	15,000	12	82	71	78	Oji Paper	1,600	25	279	233	250
Textiles						Toppan Printing.....	500	23	220	188	120
Asahi Chemical	(B) 3,675	22	460	424	434	Lumber & Ceramics					
Chuo Textile	500	10	76	70	70	Iwaki Cement	1,000	40	236	202	231
Dai Nippon Spinning	5,250	18	137	102	118	Nihon Cement	5,000	24	133	104	119
Daito Woollen Spinning	1,500	18	105	92	98	Nippon Gaishi	500	23	207	170	197
Fuji Spinning	3,000	20	132	101	113	Nippon Toki	490	25	182	173	168
Japan Wool Textile	2,560	50	163	137	148	Onoda Cement	6,400	16	118	95	101
Kanagafuchi Spinning	3,728	18	138	103	118	Land, Warehouse & Trade					
Kokoku Rayon	3,000	12	84	75	79	Heiwa Real Estate.....	1,323	10	340	316	327
Kokusaku Pulp	1,680	20	133	110	116	Mitsui Bussan.....	1,755	20	262	208	180
Kurashiki Rayon	3,000	15	172	141	156	Mitsui Real Estate.....	200	20	775	730	871
Kurashiki Spinning	2,600	20	133	112	112	Mitsubishi Estate	2,064	18	210	186	195
Mitsubishi Rayon	2,250	20	153	128	143	Mitsubishi Shoji	5,000	16	124	98	120
Nippon Pulp Ind.	1,600	20	144	130	133	Mitsubishi Warehouse	600	10	115	104	115
Nisshin Cotton Spinning	1,560	30	244	216	223	Dept. Stores & Amusements					
Nitto Spinning	1,687	15	100	87	90	Mitsukoshi	2,430	26	360	343	219
Ohmi Kenshi Spinning.....	2,000	15	90	73	80	Nikkatsu	3,287	10	62	58	59
Sanyo Pulp	2,610	20	163	139	142	Shochiku Motion Picture.....	1,848	25	160	153	163
Teikoku Rayon	4,800	20	190	142	168						
Toho Rayon	1,500	20	152	136	139						
Tohoku Pulp	2,028	20	139	112	125						
Toyo Rayon	6,000	20	251	203	226						
Toyo Spinning	6,450	22	218	150	166						

Notes: (A) 500 yen shares.

(B) 100 yen shares, others 50 yen.

□ ex-new.

35. Exports and Imports by Country

(In million yen)

Settlement Area	Countries	Exports				Imports			
		1954 Total	1955 Total	August 1956	September 1956	1954 Total	1955 Total	August 1956	September 1956
	Total Exports & Imports	586,562	723,816	77,703	73,882	863,785	889,715	104,181	93,235
	Asia Total	286,846	303,460	29,287	30,586	265,259	325,421	31,557	29,207
0	Korea	24,684	14,218	2,335	2,276	2,911	3,434	315	439
£	China	1,878	20,277	2,163	2,132	14,677	29,080	2,548	1,548
\$	Ryukyu Islands	15,529	18,288	1,469	1,732	3,645	5,738	549	447
£	Hong Kong	27,815	31,702	2,489	2,893	1,426	2,221	548	909
0	Formosa	23,734	22,978	2,395	1,830	20,552	29,116	480	243
	Southeast Asia Total	161,444	203,270	18,528	19,791	165,301	189,834	18,354	17,603
0	Indo-China	4,654	13,245	2,047	2,866	5,233	1,982	326	96
0	Thailand	23,438	22,691	1,935	2,326	24,901	22,841	1,572	1,308
£	Malayan Union	3,360	4,852	466	396	20,326	33,416	3,769	3,866
£	Singapore	13,281	21,355	1,485	1,534	2,648	5,892	920	971
0	Philippines	11,229	18,651	1,568	1,573	24,166	32,023	4,252	3,827
£	British Borneo	179	377	28	31	6,986	7,707	823	887
0	Indonesia	43,097	23,297	2,873	2,465	21,682	29,219	2,070	1,997
£	Burma	16,413	13,786	834	1,235	22,713	16,477	196	482
£	India	15,788	30,503	3,793	3,270	18,562	27,823	3,290	3,104
£	Pakistan	20,160	15,839	379	370	13,028	16,951	1,803	948
£	Ceylon	6,226	7,353	631	843	950	989	58	95
	Iran	8,446	8,072	500	653	7,722	7,920	448	534
£	Iraq	6,110	7,756	373	361	217	2,055	521	243
£	Aden	3,348	3,461	182	196	102	1,159	64	18
\$	Saudi Arabia	999	2,372	236	215	39,916	35,169	4,463	4,203
£	Kuwait	1,682	2,265	247	251	3,887	5,914	1,607	2,051
0	Turkey	2,444	1,272	34	53	2,091	396	9	186
£	Jordan	562	637	72	103	50	856	—	—
\$	Syria	1,355	2,502	218	242	222	1,425	66	7
\$	Lebanon	458	434	33	80	146	37	115	76
	Europe Total	52,665	74,086	8,934	6,288	69,526	62,999	7,697	7,492
0	Sweden	3,031	4,815	522	471	3,268	1,712	280	339
\$	Denmark	471	2,123	152	117	1,343	685	87	45
£	United Kingdom	18,405	21,876	1,450	788	13,358	13,650	2,908	2,304
0	Netherlands	7,855	9,627	764	720	4,227	4,129	249	409
\$	Belgium & Luxemburg Economic Union ..	2,896	3,736	574	400	4,955	3,248	410	358
0	France	4,189	4,182	639	535	7,400	5,507	845	477
£	West Germany	6,514	9,058	1,188	1,172	15,880	16,648	1,871	2,220
	East Germany	880	1,145	154	227	1,897	1,858	189	476
\$	Switzerland	1,708	2,259	398	382	3,925	4,573	262	429
\$	Spain	564	1,235	178	660	4,783	4,242	211	71
£	Italy	1,940	2,846	2,058	380	6,295	4,717	131	154
\$	Norway	420	542	52	54	150	98	16	12
0	Finland	551	1,419	63	71	815	474	29	55
\$	Austria	282	818	159	193	324	320	12	25
	North America Total	125,456	191,536	19,927	19,594	396,858	367,588	43,401	42,898
\$	Canada	7,576	16,254	1,831	1,971	44,117	39,175	4,567	5,850
\$	U.S.A.	99,655	161,722	16,921	16,412	304,899	278,021	32,431	23,246
\$	Mexico	10,363	2,656	173	151	33,219	30,230	1,939	5,222
	Cuba	1,092	1,747	156	95	8,739	9,906	2,515	2,372
\$	Panama	554	2,166	176	187	909	323	12	10
\$	Colombia	3,415	2,556	292	164	200	257	5	5
\$	Ecuador	477	549	43	30	2,122	74	7	6
	South America Total	56,924	53,533	3,540	4,028	63,829	37,432	4,877	4,621
\$	Peru	1,670	1,796	235	292	7,315	3,880	1,067	661
0	Brazil	28,155	12,032	1,383	1,669	26,580	21,340	2,345	2,485
0	Argentina	17,592	28,485	645	809	21,800	8,006	1,295	785
\$	Chile	447	1,401	140	256	863	278	76	512
	Africa Total	49,857	74,009	14,138	11,858	18,462	22,664	4,415	2,530
0	Egypt	2,312	5,124	450	161	10,086	10,643	2,316	926
£	Nigeria & Gold Coast	15,305	22,034	1,686	2,862	111	62	9	27
\$	Liberia	9,055	19,060	8,711	6,246	87	19	28	1
\$	Belgian Congo	4,249	1,226	100	82	25	45	0	4
£	British East Africa	—	—	554	602	—	—	437	282
£	Union of South Africa	10,885	10,382	917	1,059	3,807	6,295	844	843
	Australia & Oceania Total	14,794	27,181	1,877	1,527	49,769	73,569	12,227	6,485
£	Australia	10,155	19,842	1,023	698	42,160	63,974	10,691	5,807
£	New Zealand	941	2,833	255	287	1,612	2,419	273	168
\$	Hawaii	2,092	2,478	225	185	638	365	7	1
£	New Caledonia	105	230	93	70	1,217	2,483	907	341
0	French Oceania	74	74	2	5	1,425	1,513	191	72
\$	Guam	405	210	94	5	727	712	112	70

Source: Finance Ministry.

Note: 0 denotes open account area; \$, dollar area; £, sterling area.

36. Production by Major Items

Items	In	1955 Total	1956 September	1956 October	Items	In	1955 Total	1956 September	1956 October
Electricity, Coal, Cokes, Gas			▲	▲	Ordinary Motors.....	HP	1,436,524	127,745	140,983
Electricity	1,000 KWH	53,503,578	5,165,709	5,424,121	Ordinary Transformers.....	KVA	109,961	249,227	253,583
Coal	1,000 Tons	42,423.4	3,888	4,240	Mercury Rectifiers	KW	961,277	23,689	13,177
Cokes	"	7,088,685	671,825	705,553	Condensers (High Pressure) ..	KVA.	..	105,789	104,838
Gas	1,000 CM	2,411,555	186,107	219,000	Condensers (Low Pressure) ..	MF.	37,304	1,708,003	1,686,528
Minerals					Switchboards	Units	56,901	4,526	5,284
Gold	GM.	7,382,292	642,222	637,792	Circuit Breakers	"	..	18,093	28,214
Silver	KG.	184,870	15,551	16,754	Controllers	"	11,265	7,154	7,093
Copper	Tons	71,096	6,735	6,747	Electric Fans	"	142,887	54,481	69,889
Lead	"	26,089	2,198	2,340	Electric Bulbs	1,000 Pcs.	66,801	13,555	13,710
Zinc	"	108,392	10,772	11,401	Special Electric Bulbs	"	1,461,458	5,746	5,736
Sulphuric Iron	"	2,730,662	253,249	265,457	Watt-hour Meters	Units	31,909	177,314	170,231
Iron	"	965,021	107,549	99,800	Electric Meters	"	10,179,162	5,226	4,889
Refined Sulphur	"	202,415	22,307	23,533	Storage Batteries	Kg.	4,849	1,214,091	1,225,011
Crude Oil	KG.	354,309	28,550	29,348	X-Ray Equipments	Sets	509,990	395	389
Natural Gas	CM.	..	14,325,119	14,822,601	Telephones	"	3,349	79,061	62,150
Non-ferrous Metals & Products					Telephone Switchboards	"	193,673	708	560
Electric Gold	GM.	8,591,140	829,249	749,676	Automatic Tel. Switchboards ..	Circuits	1,789,190	22,908	22,511
Electric Silver	KG.	227,440	21,773	23,754	Radios	Set.	136,505	271,183	271,005
Electric Copper	Tons	113,316	10,898	11,330	Televisions	"	30,481	24,458	25,980
Lead	"	37,111	4,185	3,854	Electric Tubes for Receiving ..	1,000 Pcs.	74,167	3,952	3,950
Zinc	"	..	11,236	11,444	Elect. Tubes for Transmis. ..	1,000 Pcs.	20,584	12,633	17,517
Electric Tin	KG.	1,033,606	101,291	95,272	Truck Chassises	Units	4,807	2,606	2,840
Mercury	"	171,271	24,707	26,692	Bus Chassises	"	..	545	440
Nickel	"	3,487,484	529,008	495,596	Small Four-wheeler Chassises ..	"	..	4,343	4,507
Aluminum	Tons	57,508	5,584	5,557	Small Passenger Car Chassises ..	"	87,743	2,197	2,550
Rolled Aluminum	"	52,980	5,225	5,510	Small Three-wheeler Chassises ..	"	..	8,911	9,050
Rolled Copper	"	117,044	13,414	13,600	Truck Bodies	"	..	4,470	4,580
Wires & Cables	"	95,478	9,652	9,850	Bus Bodies	"	..	566	470
Oil Products					Small Truck Bodies	"	1,108,792	3,348	3,500
Gasoline	KL.	2,461,481	240,380	272,871	Bicycles	"	305	125,000	119,542
Light Oil	"	737,128	57,499	67,729	Industrial Locomotives	"	..	56	26
Heavy Oil	"	3,928,552	528,534	568,222	Binoculars	Pairs	280,582	37,118	39,187
Lubricants	"	865,514	38,558	43,167	Cameras	Units	1,021,236	112,453	113,271
Iron & Steel Products					Watches	Pcs.	5,798,342	603,801	552,159
Pig-iron	Tons	5,216,766	517,342	516,332	Textiles & Yarns				
Steel	"	9,407,723	932,497	938,543	Cotton Yarn.....	1,000 lb.	922,680	95,012	97,455
Open Hearth Steel	"	7,813,606	738,502	742,840	Silk Yarn	"	4,387	376	384
Converter Steel	"	406,690	36,568	34,226	Rayon Staple Yarn	"	195,352	19,456	20,597
Electric Furnace Steel	"	1,187,427	157,427	161,477	Rayon Filament Yarn	"	410,938	48,404	50,375
Ferro-alloys	"	209,647	24,695	24,722	Woolen Yarn	"	184,748	20,793	21,139
Rolled iron materials	"	6,931,774	656,514	593,862	Bast Fibre Yarn	"	101,053	8,779	8,909
Iron Shapes (Medium size) ..	"	359,263	45,333	38,379	Staple Fibres	"	536,748	61,248	62,668
Iron wire	"	606,627	43,212	39,662	Cotton Textiles	1,000 sq. y.	3,018,137	300,691	303,777
Iron Sheets (Thick)	"	1,421,148	155,764	147,938	Silk Textiles	"	184,322	16,295	17,231
Iron Sheets (Thin)	"	740,637	55,036	56,257	Spun Silk Textiles	"	24,497	2,547	2,378
Rolled Special Steel	"	318,616	46,438	45,320	Rayon Textiles	"	773,828	80,043	81,445
Iron Tubes	"	432,233	45,511	33,189	Rayon Staple Textiles	"	895,927	100,578	104,351
Forged Steel	"	144,390	14,434	12,702	Woolen Textiles	"	185,615	19,838	19,630
Cast Steel	"	..	19,356	18,471	Bast Fibre Textiles	"	137,549	10,483	9,884
Galvanized Sheets	"	..	48,614	42,385	Chemicals				
Machinery & Machine Tools					Ammonium	Tons	750,315	72,848	77,982
Steam Boilers	Tons	33,266	2,503	1,350	Ammonium Sulphate	"	2,128,943	192,580	200,932
Steam Turbines	KW.	403,594	3,300	17,330	Superphosphate of Lime	"	1,794,786	169,825	173,148
Water Turbines	KW.	627,664	26,230	17,000	Carbide	"	674,073	62,070	61,154
Gasoline Engines	HP.	178,455	19,379	20,385	Calcium Cyanamide	"	510,883	37,727	45,956
Oil Burners	"	323,889	47,117	41,241	Synthetic Chem. Fertilizers ..	"	1,008,921	114,818	106,802
Machine Tools	Tons	6,588	1,358	1,037	Caustic Soda	"	517,158	56,352	59,738
Drills	1,000 Pcs.	12,846	1,488	1,334	Soda Ash	"	830,448	31,325	32,603
Rolling Machines	Tons	..	5,316	4,687	Synthetic Hydrochloric Acid ..	"	..	22,750	23,175
Bearings	"	6,948	1,153	1,095	Bleaching Powder	"	..	1,786	1,722
Gogs	"	1,598,422	433	470	Liquid Choline	"	..	7,981	8,845
Thrashing Machines	"	252,541	34,633	28,902	Crude Bensol	"	97,675	7,091	7,819
Hulling Machines	"	56,171	8,330	7,040	Refined Bensol	"	40,556	4,937	5,506
Rice-cleaning Machines	"	78,445	8,120	8,622	Pure Toluol	"	7,738	874	667
Air Compressors	"	4,076	865	730	Photo-films	1,000 sq.m.	8,006	720	682
Electric Fans	"	4,944	828	681	Paper & Pulp				
Pumps	"	21,056	2,563	2,230	Pulp	Long Tons	1,877,415	184,043	194,123
Refrigerators	"	14,525	1,675	1,421	Western Style Papers	1,000 lb.	3,071,063	292,566	310,440
Conveyers	"	15,305	2,910	1,424	Ceramics				
Cranes	Tons	16,073	2,115	1,675	Firebricks	Tons	689,339	73,660	75,600
Winches	"	4,853	389	389	Chinawares	"	..	41,995	42,540
Elevators	"	..	605	731	Glass Products	"	337,301	35,271	38,690
Printing Machines	"	7,725	657	566	Red Bricks	"	527,109	25,366	25,964
Silk Preparing Machines	"	..	416	445	Sheet Glass	Boxes	6,650,036	682,188	758,494
Cotton Preparing Machines ..	"	..	573	626	Cement	Tons	10,556,650	1,175,666	1,156,509
Cotton Spinning Machines ..	"	25,750	7,582	6,505	Miscellaneous				
Wool Spinning Machines	"	14,537	616	755	Automobile Tires	Pcs.	2,317,575	307,961	320,473
R. Staple Weaving Machines ..	Units	16,648	2,002	1,935	Metal Toys	1,000 pcs.	250,795	27,776	27,444
Cotton Weaving Machines ..	"	16,950	2,305	2,399	Pencils	Gross	6,591,749	522,328	565,000
Wool Weaving Machines	"	2,764	223	158	Needless	1,000 pcs.	244,659	27,484	29,390
Sewing Machines	"	1,696,334	152,275	146,572	Match	Match tons	417,155	38,550	39,647
Lathes	Tons	5,132	268	..	Piano	Sets	11,510	1,242	1,290
Drilling Machines	"	3,354	498	243	Leather Shoes	prs.	4,998,172	414,950	451,222
Millwork Power Generators ..	KVA	654,614	136,689	98,650					

Source: Ministry of International Trade & Industry.

Note: ▲ Revised at source, ▲ Provisional figures.

37. Exports by Major Articles

(In million yen)

Articles	Unit	1955		1956			
		Aggregate		August		September	
		Volume	Value	Volume	Value	Volume	Value
Food	—	—	47,793	—	4,994	—	4,023
Fish & Shellfish	m.t.	155,108	27,226	15,143	3,292	12,133	2,552
Canned, Bottled Fish	"	62,206	16,442	9,576	2,492	6,708	1,776
Cereals	"	—	1,287	—	74	—	90
Fresh & Frozen Fruit	m.t.	116,519	9,276	11,887	670	8,495	553
Sugar & Its Products	m.t.	34,039	1,434	2,220	108	2,048	105
Beverage & Tobacco	—	—	1,214	2,912	265	1,468	137
Tea	1,000 lbs.	21,954	3,510	—	35	—	79
Beer	kl.	6,339	507	—	42	—	53
Tobacco	—	—	471	—	11	—	26
Raw Materials	—	—	35,285	—	3,305	—	2,911
Lumber	cu.m.	442,008	10,438	59,117	1,147	41,392	705
Textile, Fibre	1,000 lbs.	69,061	20,821	5,623	1,863	6,012	1,933
Raw Silk	bales	86,712	18,005	957	1,435	970	1,440
Fertilizers & Mineral Products	—	—	252	—	14	—	10
Animal & Vegetable Materials	—	—	2,257	—	190	—	228
Coal & Petroleum	—	—	2,546	—	521	—	378
Animal & Vegetable Oils	—	—	6,381	—	505	—	268
Animal Oil	m.t.	—	5,448	—	470	—	194
Cod-liver Oil	"	6,729	2,155	358	143	—	151
Vegetable Oil	"	8,036	916	200	26	486	61
Chemicals, Drugs	—	—	33,751	—	3,261	—	3,323
Pharmaceuticals	—	—	2,997	—	315	—	440
Chemical Fertilizers	m.t.	762,875	15,010	66,526	1,398	69,534	1,239
Manufactured Products by Material	—	—	414,867	—	36,768	—	39,250
Rubber Goods	—	—	4,359	—	950	—	545
Tyres & Inner Tubes	m.t.	9,281	3,345	2,068	857	1,079	436
Wood & Cork Products	—	—	15,763	—	367	—	361
Paper & Related Products	m.t.	82,096	6,627	10,094	837	10,058	952
Textiles	—	—	210,588	—	18,038	—	21,830
Woolen Yarn	1,000 lbs.	7,877	6,263	310	202	510	337
Cotton Yarn	"	26,226	3,756	1,655	657	2,515	1,023
Rayon Yarn	"	18,046	3,231	4,281	766	4,537	844
Spun Rayon Yarn	"	39,224	5,897	1,581	275	1,726	307
Cotton Fabrics	1,000 sq. yds.	1,138,829	82,757	83,513	6,461	96,058	7,481
Silk Fabrics	"	30,022	5,622	20,042	1,157	19,974	1,151
Woolen Fabrics	"	17,751	10,003	1,347	719	2,289	1,256
Artificial Fibre Fabrics	"	895,631	55,686	90,651	6,280	103,213	7,367
Non-Metallic Minerals	—	—	30,625	—	4,078	—	3,960
Cement	m.t.	1,206,244	8,098	242,760	1,613	229,930	1,509
Glass Products	—	—	4,634	—	455	—	490
Chinaware	—	—	15,106	—	1,633	—	1,618
Precious Metals & Gems	—	—	7,846	—	772	—	809
Cultured Pearls	kg.	18,223	3,633	1,707	318	2,071	351
Base Metals & Products	—	—	117,096	—	8,420	—	7,576
Iron & Steel	m.t.	1,988,521	93,418	106,450	6,830	96,330	6,064
Steel Bars & Shapes	"	356,875	11,401	12,147	454	20,925	758
Steel Plates (ungalvanized)	"	344,719	16,801	18,275	1,239	16,391	1,098
Copper	"	41,184	13,257	657	277	718	309
Nickel	"	2,213	2,261	346	515	422	534
Aluminium	"	24,883	5,033	642	177	769	198
Metal Products	—	—	21,845	—	1,792	—	2,002
Machinery & Transportation Equipment	—	—	88,835	—	17,827	—	12,891
Machinery (excl. electric machines)	—	—	34,848	—	3,311	—	3,871
Metal Processing Machines	—	—	1,134	—	111	—	78
Textile Machines & Parts	—	—	9,562	—	1,068	—	1,329
Sewing Machines & Parts	—	—	13,938	—	1,032	—	1,294
Electric Machines	—	—	11,123	—	1,520	—	1,455
Gen. Motors, Trans. & Alternators	unit	—	2,188	—	270	—	147
Electric Bulbs	1,000 pcs.	194,791	1,601	18,801	183	24,432	224
Transportation Equipment	—	—	42,864	—	12,997	—	7,565
Railway Rolling Stock	—	—	7,814	—	1,424	—	502
Automobiles	—	—	3,736	6,295	460	3,340	244
Bicycles & Parts	m.t.	—	3,056	—	205	—	273
Ships	unit	348	28,147	55	10,733	72	6,245
Miscellaneous	—	—	90,295	—	10,191	—	10,371
Camera	—	234,471	1,680	31,682	268	41,920	258
Toys	m.t.	47,352	15,294	5,892	2,008	5,888	2,056
Livestock, Pets etc.	—	—	299	—	3	—	4
Re-export Goods	—	—	2,551	—	274	—	325
Total Exports	—	—	723,816	—	77,703	—	73,882

Note: Figures of group total include others than represented. Figures for value are rounded under one thousand.

Source: Customs Division, Tax Bureau, Ministry of Finance.

38. Imports by Major Articles

(In million yen)

Articles	Unit	1955		1956			
		Aggregate		August		September	
		Volume	Value	Volume	Value	Volume	Value
Food	—	—	220,038	—	18,029	—	14,231
Cereals (rice, wheat & barley, etc.)	m.t.	—	158,437	459,589	12,732	365,009	10,199
Fruit & Vegetables	"	149,625	7,191	4,757	393	3,871	347
Sugar	"	1,243,131	43,692	129,969	4,317	80,665	2,940
Coffee	1000. lbs	9,058	2,044	329	286	565	123
Beverage & Tobacco	—	—	4,955	—	21	—	347
Spirits	l.	—	274	—	21	—	30
Raw Materials	—	—	441,281	—	55,731	—	49,144
Hides & Skins	m.t.	61,763	8,055	6,739	1,041	7,716	1,173
Cow Hide	"	47,041	5,214	4,908	601	6,245	774
Box Calf	"	8,000	2,008	926	298	840	292
Oil Seeds	"	1,135,105	52,928	94,918	5,084	58,241	2,949
Peanuts	"	14,554	1,238	—	—	—	—
Copra	"	50,736	3,829	3,469	248	3,300	241
Soy-beans	"	808,177	35,368	69,825	3,519	43,980	2,077
Rubber	"	109,057	26,905	11,231	2,341	11,775	2,461
Crude Rubber	"	87,669	23,852	9,142	1,932	8,923	2,067
Latex	"	7,160	1,522	616	112	887	173
Synthetic Rubber	"	5,199	1,374	937	273	675	194
Lumber & Cork	c.m.	—	22,909	—	2,813	—	3,133
Lumber	"	2,051,859	22,243	238,145	2,737	268,505	3,017
Cork	m.t.	6,568	616	788	67	493	56
Pulp & Scrap Paper	—	—	6,849	—	948	—	1,129
Fibres & Textiles	1,000 lbs.	1,498,630	210,799	179,998	25,430	159,441	21,554
Silk (incl. cocoons)	1,000 lbs.	1,904	407	93	24	175	43
Wool	"	214,191	63,376	33,347	9,876	21,635	6,823
Cotton	"	972,061	130,318	128,401	14,538	117,164	13,733
Cotton Linter	"	30,754	773	102,597	12,899	100,896	12,612
Waste Cotton	"	87,211	6,920	20,193	1,491	14,358	1,065
Hard & Bast Fibres	"	117,856	7,823	16,173	748	18,540	783
Jute	"	69,843	2,604	2,108	72	7,209	244
Flax	"	5,554	608	1,669	76	1,280	77
Sisal Hemp	"	27,212	937	7,794	407	5,429	275
Manila Hemp	"	71,196	3,324	1,851	225	1,800	150
Fertilizers & Non-metallic Minerals	m.t.	—	36,975	—	3,591	—	3,007
Fertilizers	"	2,369,295	23,959	166,444	1,482	172,123	1,606
Salt	"	2,025,019	7,775	244,045	1,229	132,107	642
Asbestos	"	20,400	1,436	4,129	297	1,299	92
Magnesite	"	53,486	923	9,071	167	10,919	196
Metals & Ores	m.t.	7,784,569	66,867	1,101,842	14,024	1,040,112	13,249
Iron Ore	"	5,459,458	29,354	742,996	4,721	695,671	4,582
Scrap Iron	"	1,286,959	22,951	166,443	4,327	181,084	4,827
Non-ferrous Metals	"	1,021,375	12,063	187,121	3,616	154,014	2,464
Nickel	"	44,196	2,150	99,226	900	37,429	338
Aluminium	"	307,530	2,435	31,816	167	64,125	396
Manganese	"	343,312	1,513	14,520	242	13,199	226
Animal Materials	—	—	3,039	—	205	—	237
Vegetable Materials	—	—	5,948	—	255	—	253
Coal & Petroleum	—	—	104,040	—	13,460	—	13,096
Coal	m.t.	2,861,923	20,237	311,005	2,577	300,622	2,692
Anthracite	"	267,398	1,732	46,920	384	40,900	299
Bituminous (for coking)	"	2,575,281	18,437	224,905	1,984	241,083	2,228
Petroleum	k.l.	12,114,718	81,863	1,369,622	10,537	1,307,314	9,942
Crude & Unrefined	"	8,501,530	53,507	1,005,775	7,075	1,024,451	7,137
Gasoline	"	348,347	4,620	21,861	422	11,474	164
Kerosene & Gas Oil	"	222,681	2,225	2,432	25	3,411	39
Fuel Oil	"	3,004,426	19,763	324,265	2,600	247,838	2,096
Lubricants (excl. grease)	"	29,789	1,324	6,602	325	7,276	365
Petroleum Coke	m.t.	125,959	1,285	25,234	280	29,053	370
Animal & Vegetable Oils	—	—	13,118	—	1,628	—	848
Animal Fats & Oils	m.t.	117,680	9,173	15,410	1,157	7,450	561
Vegetable Oils	"	37,536	3,695	4,103	444	2,319	254
Chemicals, Drugs	—	—	28,874	—	5,575	—	5,103
Manufactured Products by Material	—	—	21,052	—	3,938	—	5,393
Hides, Leathers & Furs	m.t.	—	964	—	38	—	285
Rubber Goods	—	—	230	—	56	—	28
Paper & Related Products	m.t.	1,456	229	—	30	79	34
Yarns & Fabrics	—	—	3,213	—	842	—	728
Base Metals	m.t.	—	1,337	22,176	2,376	63,473	3,815
Iron & Steel	"	82,183	3,647	16,948	807	56,708	1,966
Other Base Metals	"	5,823	4,391	5,228	1,569	6,795	1,849
Machinery & Transportation Equipment	—	—	47,665	—	4,775	—	4,155
Machinery (excl. electric machines)	—	—	33,258	—	3,346	—	2,711
Electric Machines	—	—	6,267	—	319	—	473
Transportation Equipment	—	—	8,140	—	278	—	971
Miscellaneous	—	—	7,895	—	922	—	845
Livestock, Pets etc.	—	—	124	—	9	—	4
Re-imports Goods	—	—	674	—	93	—	69
Total Imports	—	—	889,715	—	104,181	—	93,235

Note: Figures of group total include other items not represented above. Figures for value under one thousand are rounded.
Source: Customs Division, Tax Bureau, Ministry of Finance.

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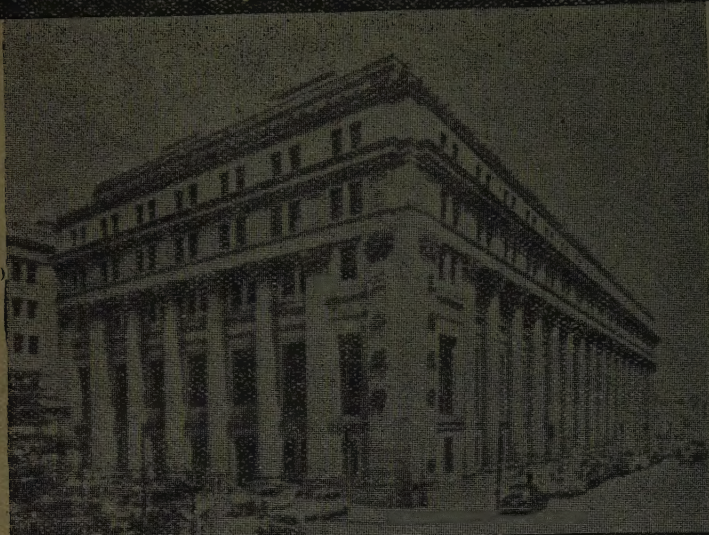
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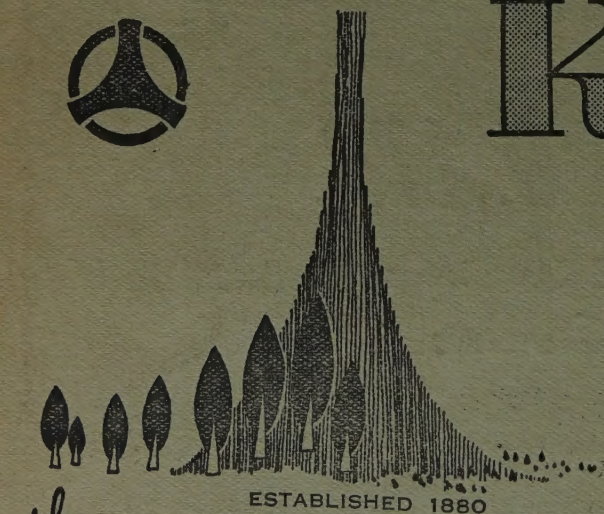
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